



Taylor & Mulder
Property and Casualty Consulting Actuaries

**Missouri Petroleum Storage Tank Insurance Fund
Report on Commercial Insurance – 2018**

January 2018



Taylor & Mulder
Property and Casualty Consulting Actuaries

10508 Rivers Bend Lane,
Potomac, MD 20854

t (301) 365-4800 f (301) 365-4882
e contact@taylorandmulder.com

w taylorandmulder.com

January 23, 2018

Ms. Carol Eighmey
Executive Director
Petroleum Storage Tank Insurance Fund
P.O. Box 836
Jefferson City, MO 65102

RE: Analysis on the Affordability and Availability of Commercial UST/AST Insurance as of January 2018

Dear Ms. Eighmey:

Enclosed is the report on the affordability and availability of commercial UST/AST insurance as of January 2018.

The first section in the text of our report is the Executive Summary section. This section describes the purpose and scope of our report, provides background information on the PSTIF program history, and then provides our conclusions arising from our analysis. This section also explains the distribution and use of our report, and provides the conditions and limitations underlying our work.

The second section of the text discusses the interviews held with UST/LUST regulators and private insurance carriers.

The final section of the text of our report is the Actuarial Analysis section, which describes the sources of data, our overall methodology, the selection of factors and specific methodologies and considerations by line of business. It also describes the selection of ultimate losses. The Exhibits section of our report follows the text of the report and includes all of our analyses.

Please feel free to call if you have any questions regarding any aspect of our report.

Sincerely,

Jane C. Taylor, FCAS, MAAA, JD

Daniel W. Lupton, FCAS, MAAA, CSPA, MBA
Enclosures

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Contents

Executive Summary	2
Purpose and Scope	2
Background	3
Conclusions	3
Availability of Commercial Insurance:	3
Affordability of Commercial Insurance:	4
Missouri Contingent Liability	6
Report Distribution and Use	6
Conditions and Limitations	6
Interviews	9
Regulators	9
Carriers	10
Actuarial Analysis	11
Sources of Data	11
Methodology	11
Traditional Development Methods	11
Logistic Regression	12
Comparison of Results	14
Exhibits	15
Appendix A – Interview Questions for UST/LUST Regulators	25
Appendix B – Interview Questions for Commercial Insurance Companies	26
Appendix C – Policies, Applications, and Rate Filings	27

Executive Summary

Purpose and Scope

Taylor & Mulder, Incorporated (“T&M”) was requested by the Board of Trustees (“Board”) of the Missouri Petroleum Storage Tank Insurance Fund (“PSTIF”) to prepare a report on the affordability and availability of commercial insurance for underground storage tanks (“USTs”) and aboveground storage tanks (“ASTs”) in connection with RSMo 319.131.2 as of January 2018. This report contains our summary, conclusions and recommendations along with a description of the analysis underlying our conclusions.

Specifically, T&M was asked by the board to conduct an analysis including the following tasks:

1. Prepare a report for the PSTIF Advisory Committee on the affordability and availability of commercial insurance
 - a. Review documents related to RSMo 319.131.2, the most recent report on commercial insurance, and other information related to commercial UST and AST insurance,
 - b. Review data on the age and type of PSTIF-insured exposures as of June 30, 2017,
 - c. Select and interview UST/LUST regulators in at least three states where commercial insurance is the predominant financial responsibility (“FR”) mechanism,
 - d. Select and interview at least three insurance companies that write a significant number of UST policies; collect premium and policy information,
 - e. Identify insurers who are admitted carriers in one or more states, obtain specimen policies, declarations pages, and rates from state insurance regulators; analyze coverage limits, deductibles, rates, and available underwriting criteria
 - f. Compare findings from these document reviews and interviews with data on PSTIF-insured tank systems,
 - g. Present findings and conclusions in a written report no later than January 23, 2018.
2. Quantify the PSTIF’s “contingent liability” for insured sites where no claim has been made but “legacy pollution” may exist
 - a. Using data as of June 30, 2017, analyze the number and type of insured sites for which no claim has been made. Consider tank age in the analysis.
 - b. Use such other methodologies as deemed useful.
 - c. Estimate the costs of cleaning up “legacy pollution” that may exist at those PSTIF-insured sites, and explain what portion of those future claims were already projected in the FY2017 actuarial report.
 - d. Present the findings and conclusions in a written report no later than January 23, 2018.

This report presents the results of those analyses. This report was prepared by Jane C. Taylor, FCAS, MAAA, Principal and Consulting Actuary and Daniel W. Lupton, FCAS, MAAA, CSPA, MBA, Vice President and Consulting Actuary.

In accordance with the requirements of the Actuarial Standards of Practice in making statements of actuarial opinion, we provide the following statements:

I, Jane C. Taylor, am Principal and Consulting Actuary in the firm of Taylor & Mulder, Inc. I am a Fellow of the Casualty Actuarial Society in good standing and qualified to issue a Statement of Actuarial Opinion. I am also a Member of the American Academy of Actuaries.

I, Daniel W. Lupton, am an Officer and Consulting Actuary in the firm of Taylor & Mulder, Inc. I am a Fellow of the Casualty Actuarial Society in good standing and qualified to issue a Statement of Actuarial Opinion. I am also a Member of the American Academy of Actuaries.

Background

Missouri established the PSTIF in 1989 to assist owners/operators of underground storage tanks in meeting federal financial responsibility rules. In 1992, the PSTIF began offering insurance to underground tank owners/operators to pay for the costs associated with petroleum leaks and spills in the state of Missouri. The Missouri General Assembly has also expanded the role of the PSTIF to include paying for remediation of petroleum pollution from old sites meeting certain criteria and to include coverage for aboveground petroleum storage tanks systems.

In consideration of whether the PSTIF should be extended, the Missouri General Assembly considers developments in the commercial insurance market. In light of this, the Missouri Revised Statutes Section 319.131.2 requires the PSTIF Advisory Committee to “report every two years to the general assembly on the availability and affordability of the commercial insurance market as a viable method of meeting the financial responsibilities required by state and federal law in lieu of the petroleum storage tank insurance fund...” This report was prepared to meet the requirements of this statute.

Conclusions

Availability of Commercial Insurance:

As of June 30, 2017, 46.4% of all tanks insured by the PSTIF are 25+ years old or of unknown age, including:

- A. 50.6% of all PSTIF-covered USTs (3,406 out of a total 6,731 tanks) and
- B. 42.4% of all PSTIF-covered ASTs (1,342 out of a total 3,162 tanks¹)

Commercial carriers providing coverage for petroleum storage tanks are willing to cover older tanks but may require additional premium and / or higher deductible levels.

Therefore, T&M's conclusion with respect to the commercial insurance market that:

1. Commercial insurance would likely be available for all tank owners and operators in the state;
2. However, insurance may not be affordable for older tank systems, particularly those including tanks 25+ years old.

¹ This includes 890 ASTs with age 25 years or greater plus an additional 452 tanks of unknown age for a total of 1,342.

Insurers interviewed indicated that, depending on the record of claims at a site, they would require or perform physical inspection, testing, or Phase II site assessments of sites prior to issuing coverage. If a claim had been filed recently and remediation completed, an inspection might not be required. The implication of this is that for some sites currently insured by the PSTIF, obtaining commercial insurance coverage could entail additional costs associated with site assessments and remediation before coverage could be obtained.

Affordability of Commercial Insurance:

Affordability of commercial insurance in Missouri is a tricky question as the current out-of-pocket cost to tank owners is relatively modest, consisting of the applicable participation fee plus any new tank charge during the first year. See table below.

Type of Tank	Participation Fee Per Tank
UST - Double-Walled	\$ 100.00
UST - Single-Walled	\$ 125.00
AST < 25,000 Gallons	\$ 100.00
AST > 25,000 Gallons	\$ 200.00
New Tank Fee (First Year Only)	\$ 100.00

The remainder of the needed funds for PSTIF is derived from the Transport Load Fee ("TLF") which is charged at a variable rate per 8,000 gallons to transporters of petroleum products. The TLF rate can vary between \$20.00 and \$60.00, and is currently at \$20.00.

In contrast, a policy issued under the ACE rating plan (see Appendix C) would be subject to a base per tank rate in the table below, modified by tank construction (see next table):

UST Date of Installation = Age of Tank	Base Rate Per Tank
0-4 years old	\$300.00
5 years old	\$316.00
6 years old	\$392.00
7 years old	\$468.00
8 years old	\$544.00
9 years old	\$620.00
10 years old	\$696.00
10+ years old	\$696.00 + \$76.00 x (Age Tank - 10 years)

Type of UST	Credit Factor (Applied to Base Rate)
Double-Walled	50.0%
Fiberglass / Clad Steel	20.0%
Bare Steel Tank	0.0%

Based on the rates charged by this carrier for \$1 million of coverage with a \$10,000 deductible, a bare steel tank that is 25 years old would cost \$1,560.60 to insure². Assuming an average of 2.5 insured USTs per site, this amounts to an annual premium of \$3,901.50 through commercial insurance compared to the current PSTIF rate of \$312.50 (\$125.00 per site multiplied by 2.5 tanks per site).

The following chart compares PSTIF and Commercial premiums for 3 tanks at a variety of ages:

Tank Construction:	Bare Steel, Single Wall
Limit of Liability:	\$1 million
Deductible:	\$10,000
Number of Tanks:	3

Age of Tanks	PSTIF Out-of-Pocket Premium	Example of Commercial Premium
3	375.00	765.00
5	375.00	805.80
10	375.00	1,774.80
15	375.00	2,743.80
25	375.00	4,681.80
30	375.00	5,650.80
40	375.00	7,588.80

If the owner of this site has other sites with similar tanks insured in the same policy, the average cost of tanks would go down as there is credit for ten or more tanks insured under the same policy. And there are other rating variables in the ACE rating package that might further reduce the cost per tank depending on specific circumstances. Still, this type of increase in out-of-pocket expense may be deemed unaffordable by some Missouri tank owners, particularly the smaller one-site retailers.

² Calculated as $(\$696 + (25 - 10) \times \$76) \times 85\%$, where the 85% factor represents a credit for the use of a \$10,000 deductible rather than the \$5,000 deductible included in the base rate.

Missouri Contingent Liability

In addition, T&M analyzed the “contingent liability” for insured sites where no claim has been made but pollution may exist. T&M performed two methods to project this quantity. The results of these methods are described in the **Actuarial Analysis** section, below. The selected actuarial central estimate for this liability based on these methods is **\$45.2 million**, an average of **\$17,798** per site for which no claim has been made³. Note that this is the anticipated liability to the PSTIF after consideration of deductibles.

It should also be noted that the estimate of contingent liability is subject to uncertainty. The model used to determine the central estimate implies a likely range of approximately +/- 10%, between \$40.7 million and \$51.2 million. Also note that while the implied average cost per site with no claims is \$17,798, it is more likely that many sites will not have pollution while some sites will experience remediation costs of \$50,000 – \$100,000

Report Distribution and Use

This report has been prepared for internal use by the management of PSTIF, their accountants, auditors, and attorneys. Given that this report was prepared for the PSTIF to satisfy statutory reporting requirements, information from this report may be provided to the legislators and the governor.

Other distribution or use of this report by the PSTIF management or related parties described above is not authorized without the prior written permission of Taylor & Mulder, Incorporated. The PSTIF is not authorized to include this report in any marketing or request for proposal solicitations. In addition, it should be understood that T&M consultants are available to respond to any questions by authorized third parties with respect to this report.

Conditions and Limitations

The analyses contained in this report were performed using accepted loss and loss adjustment expense reserving methods adjusted to the special needs of the PSTIF and in conformance with sound actuarial standards and principles. T&M introduced assumptions and judgments that we considered appropriate in the circumstances.

With regard to projections of ultimate values, it should be understood that the emergence and settlement of claims are subject to uncertainty. While we have used our best professional judgment in all instances, projections of future ultimate losses and loss expenses are inherently uncertain because of the random nature of claims occurrences. They are also dependent upon future contingent events and are affected by many additional factors.

PSTIF claim reserving procedures and settlement philosophy, current and perceived social and economic inflation, current and future court and jury attitudes, legislative changes affecting the PSTIF, improvements in technology, and many other economic, legal, political, legislative and social factors all can have significant effects on ultimate claim costs. Therefore, we cannot warrant that actual

³ Based on a total of 2,539 insured sites that have not experienced claims.

developments will not differ from current projections. Such differences could be upward or downward and could be significant.

In summary, the ultimate loss and loss adjustment expense levels estimated in this report are subject to potential variations in estimation due to:

- (1) the fact that the ultimate liability of PSTIF is subject to the outcome of events yet to occur;
- (2) the unanticipated changes in the legal, economic, legislative or claims adjudication environments;
- (3) statistical fluctuation in losses around the estimated or expected values when all other factors remain constant; and
- (4) the fact that the actual future loss and loss payment and reporting patterns may differ from those applied in the determination of the expected losses or there may be unanticipated changes in the loss and expense loss and expense payment and reporting patterns;

Accordingly, no assurance can be given that future loss emergence will not deviate from the estimated ultimate loss and loss adjustment expenses. However, the ultimate loss and loss adjustment expense estimates were based on a reasonable application of generally accepted actuarial procedures and techniques applied to the information available.

We reviewed the information for overall reasonableness and presented any irregularities to the PSTIF third-party administrator for edification and clarification.

T&M relied without audit or verification on historical loss, loss adjustment expense, exposure data, and other information provided by the PSTIF and its employees. T&M has relied upon the data provided and on the oral and/or written statements made regarding the quality, accuracy, and completeness of the data and information supplied. Any inaccuracies or inconsistencies in the data could have a significant effect on the conclusions drawn.

Should any inaccuracies be found in the data, T&M should be notified immediately so that the analysis can be adjusted accordingly.

The analysis in this report was limited to the loss and loss adjustment expense items noted in the scope of this project. This report does not include an examination of the assets of the PSTIF, nor did we form any opinion as to the value or validity of the assets. This report does not include a review or analysis of any income statement or other balance sheet items. This analysis with respect to loss and loss adjustment expense reserves is based upon the assumption that all reserves are backed by valid assets and that these assets reflect suitably scheduled maturities and/or sufficient liquidity to meet cash flow requirements.

This report is limited in scope to the estimate of the level of reserve adequacy at the evaluation date of the report. It also includes projections regarding cash flow of the operations of the PSTIF under certain narrow assumptions and conditions.

This report was prepared for use by persons technically competent in insurance financial matters. Persons receiving this report should be made aware of the availability of T&M. personnel to answer questions and/or amplify on any matter addressed therein.

Interviews

Interviews were conducted with several UST/LUST regulators and commercial insurance companies. So as not to overlap information obtained in the most recent report on availability and affordability of commercial insurance, T&M attempted to contact commercial insurance companies that were not previously contacted in connection with this study.

UST/LUST regulators contacted include:

- Washington (UST/LUST regulators and PLIA program)
- New Jersey
- Arizona
- New York

Commercial insurance companies contacted include:

- Prime Insurance Company (also listed as “Prime Insurance Syndicate, Inc.” and “Garage Service Equipment Dealers Liability Association of America.”)
- ACE
- Texas Owner Members Insurance Company
- Century Surety Insurance

Regulators

T&M had telephone discussions with regulators. As might be expected, the states are concerned with availability and affordability of coverage for their tank owners / operators.

Coverage for UST/AST is offered on a claims-made basis, meaning the policy in effect when the contamination is reported is responsible for the claim as long as the contamination occurred after the retroactive date. The retroactive date in the policy is the earliest date of contamination the insurer is willing to insure. Therefore, a policy will only cover contamination created on or after the retroactive date and reported for the first time within the policy period. Arizona also expressed concerns about response of coverage to contaminated sites when analysis of the contaminants showed traces of older additives along with more current contamination.

Another concern with some carriers is that retroactive dates change at policy renewal to a more recent date than that contained in the prior policy. Arizona has anecdotal reports of this happening while New Jersey will be looking to track such changes in the future. Washington reported that this had occurred in the past, but that they were keeping an eye on it.

Many regulators are also concerned with the insurability of older tanks. New Jersey is not as concerned with older tanks, as the state required tanks to be replaced or removed in 1998 if the tank did not meet then current safety standards. Arizona and Washington reported concerns of an aging tank population that they were attempting to address through a state-run grant program for removing or replacing old tanks.

There are two elements of affordability of insurance: one is the premium charged and the other is the deductible contained in the policy. The premium is a fairly obvious cost of insurance with some older tanks carrying a hefty premium. The other less obvious cost is the amount of the deductible. The question

of affordability is then whether the tank owner can handle both the premium and perhaps a sizable deductible required by the insurer.

Washington reported increasing deductible sizes, particularly for insureds with older tanks. In addition, Washington reported being aware of policy exclusions such as for voluntary tank removals, and they prevented this language from being used in policies issued by companies covered by the PLIA reinsurance program. However, they were not aware whether such provisions were being used in policies issued by other companies operating in the state.

Carriers

T&M discovered that some longtime providers of UST coverage are no longer providing coverage of storage tank liability (such as Kemper and Zurich) while other providers are being acquired. An example of the consolidation in the storage tank insurer ranks is the acquisition of Tank Owner Members Insurance Company being acquired by Mid Continent Casualty Company, a member of the Great American Insurance Group. There are, however, newer entries into the UST/AST market such as The Philadelphia Companies and XL Catlin, although these do not as yet have wide penetration into the market.

The carriers varied in their approach to the market place. Some are more willing to offer coverage to older tanks, particularly if only a small part of a larger group of tanks. Others draw hard lines at 25- or 30- year-old tanks.

T&M are attaching Connecticut policy forms from ACE (the TankSafe Program for ACE and Westchester are wholesale and retail versions of the same program) and from Prime Insurance Company. The ACE rating manual from Connecticut is also attached along with a specimen application form. The Texas Owner rate filing is also included.

Actuarial Analysis

Sources of Data

The actuarial analysis of contingent liability was based on data provided for the actuarial study as of June 30, 2017 as well as two additional files:

1. Listing of UST and AST sites insured by the PSTIF for which no claim had been filed, and
2. Listing of known open and closed tanks by site with install dates and closure dates (where applicable)

Methodology

The actuarial analysis of contingent liability was performed using two general approaches.

Traditional Development Methods

The first approach was to use traditional actuarial development methodologies based on accident years rather than report years. Specifically, we used the paid and incurred loss development methods to determine accident year ultimate losses. Detail of how these methods work is provided below. The result of these methods is a set of estimates of ultimate losses for each year in which a release occurs.

This is different from the estimates provided as part of the actuarial study as of June 30, 2017 (“the year-end study”). The year-end study was conducted on the basis of report year, and provided estimates of the ultimate losses anticipated for each cohort of claims based on when the releases were reported to the PSTIF. The ultimate loss associated with each such report year cohort includes case reserves and IBNR associated with *known releases only*.

By contrast, the ultimate loss associated with an accident year cohort (as in this study) can include losses associated with claims for which the release has occurred but for which the release has not yet been reported to the PSTIF. For example, consider the 2017 accident year. As of year-end 2017, some of the releases that occurred in 2017 will have been reported to the PSTIF, but some may not be reported to the PSTIF until 2018 or later. Therefore, determining the ultimate loss associated with an accident year entails projecting the anticipated claims that have not yet been reported, as well as development on those that have.

Another way to understand this is as follows: the ultimate cost associated with a cohort of known claims by definition only includes costs associated with that set of claims. The expected liability above paid losses plus case reserves is known as “bulk reserve” or “development on known claims.” By contrast, an accident year cohort represents a cohort of unknown size, and therefore may include costs associated with releases that are not currently known. The liabilities arising from such claims is known as “pure IBNR.” Therefore, while a report year ultimate only includes development on known claims, an accident year ultimate includes pure IBNR *plus* development on known claims.

For this reason, we developed losses on the basis of accident years to determine the anticipated total liability associated with known *and* unknown releases. From this, we subtracted the projected unpaid

loss from the year-end study, i.e., the liability associated with known releases. The resulting value represents the liability associated with releases that have already occurred but are yet-to-be-reported, i.e., the “contingent liability.”

Paid Development Method

The paid development method uses historical loss payment patterns to project actual payments as of a given valuation date to ultimate. The PSTIF’s historical payment patterns or the fitted loss development factors were relied upon in selecting the expected payment patterns at each evaluation. The difference between the projected ultimate losses and the losses and allocated loss adjustment expenses paid through the evaluation date is the estimated reserve as of the evaluation date.

Estimates produced using the paid development method are not affected by changes in the case reserve position of the PSTIF which might have occurred during the review period, but may be understated since they ignore large unpaid claims. Also, this method may be susceptible to any changes in case settlement philosophy and/or speed of payment.

Incurred Development Method

The incurred, or reported, development method is similar to the paid development method and uses historical reporting patterns to project actual reported amounts (excluding IBNR) as of a given evaluation date to ultimate. The difference between the projected ultimate losses and the losses paid through the evaluation date is the estimated reserve as of the evaluation date.

In many situations, the incurred development method is preferred over the paid method since large open but unpaid claims are considered. This method is more responsive to changes in the external business environment, since changes in liability laws, legislative changes affecting the PSTIF, court decisions and other external factors are generally reflected in the case reserves as soon as claims management becomes aware of them. As a result, the incurred loss development factors at each stage of development tend to be lower, and more stable, than those of the corresponding paid development method. However, the incurred development method may be affected by changes in case reserving practices over time and, to a lesser extent, also may be affected by changes in claims settlement rates.

Logistic Regression

The second approach we employed was that of logistic regression. This model estimates the anticipated probability of a release occurring at a site in a given year based on information about the site. Compared to the familiar “linear regression,” which is useful for predicting values such as the anticipated cost of a cleanup, logistic regression provides a number between 0% and 100% that can be interpreted as a probability (in this case, the probability of a release).

We tested multiple logistic regression models based on optimizing model fit measures. The final model is described as follows:

$$P(\text{Release}) = 1/(1 + \exp(-\theta))$$

$$\theta = \text{Age} \times 0.0319 + \log(\text{Age}) \times 0.1779 + \text{Closed} \times 0.2774 - 4.7025$$

where “Age” is the average age of open tanks on the site, and “Closed” is the number of closed tanks at the site (i.e., the cumulative number of tanks that have been closed at the site, regardless of whether the tanks were removed or otherwise permanently closed).

All coefficients were statistically significant at $p < 0.05$. The implication of this model is that increasing average tank age or a greater number of closed tanks at a site leads to a higher annual probability of a release at a given site.

As an example, consider a site with one open and one closed tank, where the open tank is six years old. The probability of the site experiencing a release in that year is equal to:

$$1/(1 + \exp(4.7025 - 6 \times 0.0319 - 1.7918 \times 0.1779 - 1 \times 0.2774)) = 1.96\%$$

Note that 1.7918 is the natural log of 6. This equation can be interpreted as saying that out of one hundred identical sites, we would expect approximately two of those sites to experience a release in a given year.

Similarly, the following year, assuming no tanks are added or removed, the age of the tank increases to seven years, and the corresponding probability of a release increases slightly to 2.07%.

It should be noted that the coefficients provided above are subject to uncertainty, themselves. For this reason, estimates obtained using this method were obtained using simulation methods to capture the uncertainty in coefficient values.

We applied this model to each site to determine the probability that a release had occurred at the site in its operating history. For example, for a site with two tanks with an average age of 8 years, we simulated eight years of potential releases and determined the probability that a release had occurred at some point over that time frame.

The result was a probability that each site had experienced a release that had not yet been reported. In a typical simulation, these probabilities ranged from a 0.06% probability that a site had experienced a release to a 99.1% probability that a site had experienced a release.

These sites were then grouped into USTs and ASTs. Average severities associated with UST and AST releases were determined based on results from the year-end actuarial study. These average severities were multiplied by the probabilities of release to determine the probability-discounted contingent liability for each site.

Comparison of Results

The logistic regression approach generated contingent liability amounts ranging from a minimum of \$36.4 million to a maximum of \$58.5 million, but with most projections centered between \$40.7 and \$51.2 million. The central estimate based on this approach was \$45.2 million.

By contrast, the traditional development methods produced lower estimates, between \$36.0 million and \$56.8 million, with a central estimate of \$40.2 million.

The intent of using traditional development methods was as a check on the order of magnitude of the results obtained by logistic regression. In that sense, the logistic regression produced results that are roughly on the same order of magnitude, and therefore the results may be seen as a success.

Because the logistic regression approach takes into consideration factors unique to each site (such as the age of tanks and number of closed tanks), and because the logistic regression approach is better able to determine anticipated percentiles of the distribution of liabilities, we have relied on the logistic regression results to determine the actuarial central estimate and the range of results.

Exhibits

Missouri Petroleum Storage Tank Insurance Fund
Special Project
All Non-Remedial Claims
Summary of Ultimate Losses

<u>AY</u>	<u>Paid LDM</u>	<u>Incurred LDM</u>	<u>Selected Ultimate</u>	<u>Paid Losses</u>	<u>Incurred Losses</u>	<u>Case Reserve</u>	<u>IBNR Reserve</u>	<u>Unpaid Losses</u>
1994	8,286,156	8,990,055	8,638,105	7,216,738	8,436,787	1,220,049	201,319	1,421,368
1995	6,623,714	6,565,235	6,594,475	5,692,976	6,111,700	418,724	482,775	901,499
1996	36,266,630	35,234,378	35,750,504	30,730,811	32,522,771	1,791,961	3,227,733	5,019,694
1997	19,925,941	19,534,020	19,729,980	16,628,059	17,869,584	1,241,524	1,860,397	3,101,921
1998	31,513,930	32,337,193	31,925,561	25,867,008	29,301,991	3,434,983	2,623,571	6,058,553
1999	29,489,318	28,167,533	28,828,426	23,775,013	25,267,332	1,492,319	3,561,094	5,053,413
2000	32,106,705	33,230,638	32,668,671	25,384,426	29,490,202	4,105,776	3,178,469	7,284,246
2001	12,303,932	12,897,959	12,600,946	9,521,980	11,315,260	1,793,280	1,285,686	3,078,965
2002	15,265,611	16,260,983	15,763,297	11,539,162	14,090,509	2,551,346	1,672,788	4,224,134
2003	14,674,171	14,856,069	14,765,120	10,806,691	12,702,774	1,896,083	2,062,346	3,958,428
2004	17,569,109	16,905,178	17,237,144	12,567,990	14,247,613	1,679,624	2,989,530	4,669,154
2005	12,874,820	13,233,392	13,054,106	8,916,600	11,067,382	2,150,782	1,986,724	4,137,506
2006	8,289,288	8,654,012	8,471,650	5,522,783	7,062,278	1,539,495	1,409,372	2,948,867
2007	13,319,685	12,783,116	13,051,400	8,454,478	10,224,955	1,770,477	2,826,445	4,596,922
2008	12,139,692	11,235,375	11,687,533	7,178,881	8,763,154	1,584,273	2,924,379	4,508,652
2009	8,135,978	7,410,333	7,773,156	4,427,137	5,515,833	1,088,696	2,257,323	3,346,018
2010	6,992,948	8,057,522	7,525,235	3,546,725	5,586,617	2,039,892	1,938,618	3,978,509
2011	10,235,973	10,434,512	10,335,242	4,796,587	7,029,628	2,233,041	3,305,614	5,538,655
2012	10,168,328	9,607,758	9,888,043	4,402,216	6,157,049	1,754,833	3,730,994	5,485,827
2013	10,810,203	10,481,273	10,645,738	4,067,060	6,276,010	2,208,950	4,369,728	6,578,678
2014	8,279,353	8,276,489	8,277,921	2,663,343	4,681,516	2,018,172	3,596,405	5,614,578
2015	16,797,648	12,905,904	14,851,776	4,274,897	6,925,272	2,650,376	7,926,504	10,576,880
2016	12,534,425	10,552,690	11,543,558	1,993,721	5,165,738	3,172,018	6,377,819	9,549,837
2017	25,147,088	10,306,227	11,557,752	1,055,643	3,781,033	2,725,390	7,776,718	10,502,109
Total	379,750,647	358,917,842	363,165,339	241,030,925	289,592,988	48,562,063	73,572,351	122,134,414

Unpaid Loss (no ALAE) from Year-End Report Year Study on Non-Remedial Claims	81,908,020
Implied "Contingent Liability"	40,226,394
High Estimate	56,811,702
Low Estimate	35,978,897

Missouri Petroleum Storage Tank Insurance Fund
Special Project
All Non-Remedial Claims
Summary of Paid Loss Development Method

<u>AY</u>	<u>Indicated Ultimate</u>	<u>Paid Losses</u>	<u>Incurred Losses</u>	<u>Case Reserve</u>	<u>IBNR Reserve</u>	<u>Unpaid Losses</u>
1994	8,286,156	7,216,738	8,436,787	1,220,049	(150,631)	1,069,418
1995	6,623,714	5,692,976	6,111,700	418,724	512,015	930,739
1996	36,266,630	30,730,811	32,522,771	1,791,961	3,743,859	5,535,820
1997	19,925,941	16,628,059	17,869,584	1,241,524	2,056,358	3,297,882
1998	31,513,930	25,867,008	29,301,991	3,434,983	2,211,939	5,646,922
1999	29,489,318	23,775,013	25,267,332	1,492,319	4,221,987	5,714,305
2000	32,106,705	25,384,426	29,490,202	4,105,776	2,616,503	6,722,279
2001	12,303,932	9,521,980	11,315,260	1,793,280	988,672	2,781,952
2002	15,265,611	11,539,162	14,090,509	2,551,346	1,175,102	3,726,449
2003	14,674,171	10,806,691	12,702,774	1,896,083	1,971,397	3,867,479
2004	17,569,109	12,567,990	14,247,613	1,679,624	3,321,495	5,001,119
2005	12,874,820	8,916,600	11,067,382	2,150,782	1,807,438	3,958,220
2006	8,289,288	5,522,783	7,062,278	1,539,495	1,227,010	2,766,505
2007	13,319,685	8,454,478	10,224,955	1,770,477	3,094,730	4,865,207
2008	12,139,692	7,178,881	8,763,154	1,584,273	3,376,538	4,960,811
2009	8,135,978	4,427,137	5,515,833	1,088,696	2,620,145	3,708,841
2010	6,992,948	3,546,725	5,586,617	2,039,892	1,406,331	3,446,222
2011	10,235,973	4,796,587	7,029,628	2,233,041	3,206,345	5,439,386
2012	10,168,328	4,402,216	6,157,049	1,754,833	4,011,279	5,766,112
2013	10,810,203	4,067,060	6,276,010	2,208,950	4,534,193	6,743,143
2014	8,279,353	2,663,343	4,681,516	2,018,172	3,597,837	5,616,010
2015	16,797,648	4,274,897	6,925,272	2,650,376	9,872,376	12,522,752
2016	12,534,425	1,993,721	5,165,738	3,172,018	7,368,687	10,540,705
2017	25,147,088	1,055,643	3,781,033	2,725,390	21,366,055	24,091,445
Total	379,750,647	241,030,925	289,592,988	48,562,063	90,157,659	138,719,722

Missouri Petroleum Storage Tank Insurance Fund
Special Project
All Non-Remedial Claims
Development of Paid Losses to Ultimate

AY	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - 192	192 - 204	204 - 216	216 - 228	228 - 240	240 - 252	252 - 264	264 - 276	276 - 288	288 - Ult
1994	6.802	1.528	2.471	1.712	1.271	1.355	1.385	1.320	1.143	1.050	1.044	1.106	1.080	1.077	1.078	1.065	1.054	1.041	1.028	1.012	1.049	1.028	1.039	1.148
1995	3.179	1.447	1.401	1.396	1.313	1.330	1.338	1.065	1.059	1.233	1.057	1.049	1.047	1.041	1.060	1.076	1.039	1.019	1.021	1.023	1.017	1.008	1.013	1.148
1996	4.325	2.440	2.030	1.838	1.314	1.235	1.117	1.096	1.075	1.060	1.033	1.016	1.016	1.008	1.009	1.006	1.007	1.010	1.006	1.013	1.005	1.014	1.013	1.148
1997	7.983	1.861	1.549	1.268	1.177	1.171	1.111	1.049	1.040	1.065	1.062	1.029	1.035	1.050	1.016	1.020	1.009	1.029	1.017	1.013	1.015	1.014	1.013	1.148
1998	9.404	1.851	1.377	1.184	1.076	1.057	1.049	1.060	1.041	1.082	1.057	1.055	1.029	1.024	1.021	1.020	1.023	1.022	1.015	1.017	1.015	1.014	1.013	1.148
1999	4.198	1.301	1.258	1.151	1.137	1.076	1.053	1.050	1.041	1.064	1.043	1.037	1.034	1.016	1.014	1.015	1.021	1.013	1.018	1.017	1.015	1.014	1.013	1.148
2000	3.097	1.300	1.213	1.136	1.110	1.079	1.069	1.072	1.076	1.054	1.027	1.035	1.032	1.025	1.038	1.025	1.026	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2001	1.967	1.414	1.228	1.179	1.091	1.075	1.053	1.101	1.070	1.038	1.073	1.028	1.043	1.044	1.070	1.034	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2002	3.943	1.447	1.239	1.139	1.134	1.221	1.078	1.084	1.069	1.030	1.042	1.045	1.038	1.055	1.048	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2003	2.676	1.486	1.282	1.162	1.144	1.177	1.095	1.065	1.179	1.055	1.059	1.036	1.042	1.036	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148	
2004	4.671	1.485	1.201	1.250	1.221	1.126	1.107	1.077	1.102	1.109	1.052	1.050	1.038	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2005	4.190	1.407	1.304	1.112	1.148	1.071	1.045	1.069	1.063	1.046	1.081	1.074	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2006	5.754	1.701	1.354	1.323	1.136	1.105	1.103	1.042	1.095	1.168	1.133	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2007	6.389	1.619	1.147	1.132	1.125	1.057	1.046	1.059	1.113	1.026	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2008	2.261	1.296	1.142	1.218	1.117	1.076	1.095	1.108	1.058	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2009	4.133	1.369	1.163	1.070	1.113	1.100	1.063	1.079	1.087	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2010	7.227	1.510	1.374	1.153	1.149	1.082	1.139	1.073	1.087	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2011	3.114	1.513	1.205	1.170	1.108	1.114	1.082	1.073	1.087	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2012	1.971	1.600	1.211	1.167	1.157	1.082	1.082	1.073	1.087	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2013	2.613	1.500	1.426	1.275	1.151	1.082	1.082	1.073	1.087	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2014	10.718	1.323	1.163	1.170	1.151	1.082	1.082	1.073	1.087	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2015	5.584	1.961	1.264	1.170	1.151	1.082	1.082	1.073	1.087	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2016	4.750	1.600	1.264	1.170	1.151	1.082	1.082	1.073	1.087	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148
2017	3.789	1.600	1.264	1.170	1.151	1.082	1.082	1.073	1.087	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013	1.148

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	276	288	Ult
1994	17,096	116,279	177,696	439,060	751,824	955,405	1,289,753	1,747,105	2,419,532	3,194,390	3,651,402	3,812,849	4,218,684	4,555,465	4,906,335	5,290,312	5,631,579	5,935,066	6,181,247	6,356,423	6,435,302	6,751,269	6,942,734	7,216,738	8,286,156
1995	124,641	396,238	573,346	803,540	1,122,039	1,472,679	1,957,943	2,619,160	2,789,399	2,954,547	3,642,272	3,849,843	4,038,121	4,226,753	4,399,722	4,664,136	5,017,927	5,214,544	5,315,133	5,428,463	5,550,820	5,645,287	5,692,976	5,768,852	6,623,714
1996	302,851	1,309,781	3,195,858	6,486,502	11,924,705	15,674,932	19,357,957	21,622,120	23,696,444	25,471,462	27,001,270	27,893,074	28,343,150	28,809,608	29,050,750	29,324,542	29,490,388	29,698,755	29,997,200	30,188,865	30,589,468	30,730,811	31,170,583	31,586,028	36,266,630
1997	243,237	1,391,791	3,613,391	5,596,523	7,097,294	8,353,721	9,780,338	10,862,002	11,397,909	11,854,204	12,619,819	13,404,162	13,798,135	14,278,098	14,989,272	15,233,067	15,545,257	15,685,331	16,140,950	16,628,059	16,884,401	17,126,025	17,354,282	19,925,941	
1998	496,343	4,667,619	8,640,255	11,893,650	14,077,235	15,150,803	16,007,815	16,791,988	17,806,404	18,539,293	20,054,074	21,076,997	22,237,345	22,873,674	23,919,931	23,919,341	24,395,560	24,951,201	25,490,975	25,867,008	26,298,155	26,703,573	27,085,714	27,446,715	31,513,930
1999	1,660,761	6,971,717	9,069,641	11,405,494	13,125,161	14,924,522	16,065,950	16,909,461	17,761,496	18,486,440	19,677,362	20,519,324	21,272,885	21,992,192	22,335,570	22,655,943	22,992,749	23,466,820	23,775,013	24,205,183	24,608,630	24,988,003	25,345,593	25,683,401	29,489,318
2000	2,393,809	7,414,375	9,641,052	11,696,395	13,288,505	14,754,230	15,923,316	17,025,575	18,244,849	19,631,783	20,684,580	21,245,477	21,985,795	22,694,635	23,257,439	24,147,629	24,745,908	25,384,426	25,885,214	26,353,565	26,792,821	27,205,866	27,595,195	27,962,986	32,106,705
2001	1,176,558	2,313,840	3,271,832	4,018,880	4,739,990	5,173,023	5,560,151	5,855,087	6,447,313	6,900,744	7,162,781	7,688,301	7,902,179	8,240,783	8,606,380	9,208,067	9,521,980	9,727,820	9,919,732	10,099,214	10,267,546	10,425,832	10,575,031	10,715,976	12,303,932
2002	645,042	2,543,530	3,679,251	4,557,216	5,191,539	5,886,394	7,186,038	7,744,011	8,396,136	8,974,700	9,242,173	9,626,726	10,055,160	10,434,973	11,008,680	11,539,162	11,814,016	12,069,403	12,307,511	12,530,195	12,739,046	12,935,434	13,120,546	13,295,418	15,265,611
2003	788,504	2,109,977	3,136,139	4,019,097	4,668,412	5,339,433	6,286,297	6,883,615	7,333,896	8,646,504	9,124,065	9,666,845	10,012,959	10,430,133	10,806,691	11,092,097	11,356,302	11,601,795	11,830,677	12,044,734	12,245,493	12,434,272	12,612,213	12,780,310	14,674,171
2004	525,909	2,456,746	3,648,451	4,381,107	5,475,074	6,682,943	7,523,473	8,325,371	8,968,912	9,886,769	10,963,130	11,536,838	12,108,495	12,567,990	12,938,648	13,280,359	13,596,686	13,890,611	14,164,647	14,420,933	14,661,299	14,887,321	15,100,365	15,301,624	17,569,109
2005	588,767	2,467,092	3,471,322	4,527,800	5,036,456	5,780,686	6,188,360	6,468,281	6,912,053	7,345,496	7,685,452	8,306,044	8,916,600	9,209,950	9,481,572	9,731,981	9,963,789	10,179,180	10,379,996	10,567,805	10,743,948	10,909,579	11,065,700	11,213,185	12,874,820
2006	150,598	866,588	1,474,355	1,996,337	2,641,442	3,001,114	3,315,699	3,658,280	3,811,972	4,174,095	4,875,151	5,222,783	5,740,838	5,929,708	6,104,589	6,265,811	6,415,058	6,553,734	6,683,027	6,803,946	6,917,353	7,023,992	7,124,509	7,219,465	8,289,288
2007	418,889	2,676,230	4,332,762	4,967,871	5,622,828	6,325,535	6,686,693	6,994,837	7,404,710	8,240,376	8,454,478	8,874,313	9,224,696	9,528,182	9,809,190	10,068,251	10,300,069	10,738,657	10,932,956	11,115,184	11,286,538	11,448,054	11,600,635	13,219,685	
2008	1,143,335	2,584,902	3,348,994	3,824,676	4,659,332	5,202,209	5,595,590	6,125,655	6,787,875	7,178,881	7,705,494	8,088,136	8,407,479	8,684,079	8,940,192	9,176,303	9,394,875	9,597,967	9,787,318	9,964,403	10,130,488	10,286,662	10,433,869	10,572,933	12,139,692
2009	447,497	1,849,550	2,531,732	2,945,630	3,152,238	3,508,286	3,859,080	4,303,722	4,427,137	4,811,260	5,164,195	5,420,640</													

Missouri Petroleum Storage Tank Insurance Fund
Special Project
All Non-Remedial Claims
Paid Loss Development Factors

AY	<u>12 - 24</u>	<u>24 - 36</u>	<u>36 - 48</u>	<u>48 - 60</u>	<u>60 - 72</u>	<u>72 - 84</u>	<u>84 - 96</u>	<u>96 - 108</u>	<u>108 - 120</u>	<u>120 - 132</u>	<u>132 - 144</u>	<u>144 - 156</u>	<u>156 - 168</u>	<u>168 - 180</u>	<u>180 - 192</u>	<u>192 - 204</u>	<u>204 - 216</u>	<u>216 - 228</u>	<u>228 - 240</u>	<u>240 - 252</u>	<u>252 - 264</u>	<u>264 - 276</u>	<u>276 - 288</u>
1994	6.802	1.528	2.471	1.712	1.271	1.350	1.355	1.385	1.320	1.143	1.044	1.106	1.080	1.077	1.078	1.065	1.054	1.041	1.028	1.012	1.049	1.028	1.039
1995	3.179	1.447	1.401	1.396	1.313	1.330	1.338	1.065	1.059	1.233	1.057	1.049	1.047	1.041	1.060	1.076	1.039	1.019	1.021	1.023	1.017	1.008	
1996	4.325	2.440	2.030	1.838	1.314	1.235	1.117	1.096	1.075	1.060	1.033	1.016	1.016	1.008	1.009	1.006	1.007	1.010	1.006	1.013	1.005		
1997	7.983	1.861	1.549	1.268	1.177	1.171	1.111	1.049	1.040	1.065	1.062	1.029	1.035	1.050	1.016	1.020	1.009	1.029	1.017	1.013			
1998	9.404	1.851	1.377	1.184	1.076	1.057	1.049	1.060	1.041	1.082	1.051	1.055	1.029	1.024	1.021	1.020	1.023	1.022	1.015				
1999	4.198	1.301	1.258	1.151	1.137	1.076	1.053	1.050	1.041	1.064	1.043	1.037	1.034	1.016	1.014	1.015	1.021	1.013					
2000	3.097	1.300	1.213	1.136	1.110	1.079	1.069	1.072	1.076	1.054	1.027	1.035	1.032	1.025	1.038	1.025	1.026						
2001	1.967	1.414	1.228	1.179	1.091	1.075	1.053	1.101	1.070	1.038	1.073	1.028	1.043	1.044	1.070	1.034							
2002	3.943	1.447	1.239	1.139	1.134	1.221	1.078	1.084	1.069	1.030	1.042	1.045	1.038	1.055	1.048								
2003	2.676	1.486	1.282	1.162	1.144	1.177	1.095	1.065	1.179	1.055	1.059	1.036	1.042	1.036									
2004	4.671	1.485	1.201	1.250	1.221	1.126	1.107	1.077	1.102	1.109	1.052	1.050	1.038										
2005	4.190	1.407	1.304	1.112	1.148	1.071	1.045	1.069	1.063	1.046	1.081	1.074											
2006	5.754	1.701	1.354	1.323	1.136	1.105	1.103	1.042	1.095	1.168	1.133												
2007	6.389	1.619	1.147	1.132	1.125	1.057	1.046	1.059	1.113	1.026													
2008	2.261	1.296	1.142	1.218	1.117	1.076	1.095	1.108	1.058														
2009	4.133	1.369	1.163	1.070	1.113	1.100	1.063	1.079															
2010	7.227	1.510	1.374	1.153	1.149	1.082	1.139																
2011	3.114	1.513	1.205	1.170	1.108	1.114																	
2012	1.971	1.600	1.211	1.167	1.157																		
2013	2.613	1.500	1.426	1.275																			
2014	10.718	1.323	1.163																				
2015	5.584	1.961																					
2016	4.750																						
VOL WTD 3	6.077	1.629	1.262	1.203	1.136	1.101	1.096	1.081	1.088	1.064	1.078	1.052	1.039	1.045	1.047	1.022	1.023	1.020	1.012	1.014	1.013	1.019	1.039
VOL WTD 5	3.789	1.600	1.264	1.170	1.127	1.082	1.082	1.073	1.087	1.073	1.066	1.046	1.037	1.030	1.032	1.021	1.017	1.017	1.014	1.014	1.013	1.019	1.039
VOL WTD ALL	3.834	1.513	1.303	1.223	1.151	1.121	1.085	1.076	1.075	1.068	1.050	1.039	1.033	1.029	1.028	1.022	1.020	1.019	1.014	1.014	1.013	1.019	1.039
ARITH 3	7.017	1.595	1.267	1.204	1.138	1.099	1.099	1.082	1.088	1.080	1.089	1.053	1.039	1.045	1.052	1.025	1.023	1.021	1.013	1.016	1.024	1.018	1.039
ARITH 5	5.127	1.579	1.276	1.167	1.128	1.086	1.071	1.086	1.081	1.073	1.046	1.038	1.035	1.038	1.023	1.017	1.019	1.017	1.015	1.024	1.018	1.039	
ARITH ALL	4.824	1.562	1.368	1.252	1.160	1.139	1.113	1.091	1.093	1.084	1.058	1.047	1.039	1.038	1.040	1.033	1.025	1.022	1.017	1.015	1.024	1.018	1.039
Inv Pw Curve	3.011	1.663	1.347	1.219	1.153	1.114	1.089	1.072	1.060	1.051	1.043	1.038	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013
5 YR HI LO	4.315	1.538	1.263	1.163	1.126	1.086	1.087	1.069	1.087	1.070	1.064	1.043	1.039	1.035	1.036	1.022	1.017	1.018	1.018	1.013	1.017	NA	NA
SELECTED	3.789	1.600	1.264	1.170	1.151	1.082	1.082	1.073	1.087	1.073	1.050	1.039	1.033	1.029	1.026	1.024	1.022	1.020	1.018	1.017	1.015	1.014	1.013
																							TAIL
																							1.148

Missouri Petroleum Storage Tank Insurance Fund
Special Project
All Non-Remedial Claims
Paid Losses

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	276	288
1993	-	65,878	71,913	71,913	102,280	114,761	371,123	1,095,647	1,523,203	1,731,308	1,982,058	2,396,880	2,556,828	2,764,754	3,022,752	3,326,811	3,745,732	4,321,460	4,681,038	5,002,155	5,273,652	5,522,470	6,089,406	6,272,954
1994	17,096	116,279	177,696	439,060	751,824	955,405	1,289,753	1,747,105	2,419,532	3,194,390	3,651,402	3,812,849	4,218,684	4,555,465	4,906,335	5,290,312	5,631,579	5,935,066	6,181,247	6,356,423	6,435,302	6,751,269	6,942,734	7,216,738
1995	124,641	396,238	573,346	803,540	1,122,039	1,472,679	1,957,943	2,619,160	2,789,399	2,954,547	3,642,272	3,849,843	4,038,121	4,226,753	4,399,722	4,664,136	5,017,927	5,214,544	5,315,133	5,428,463	5,550,820	5,645,287	5,692,976	
1996	302,851	1,309,781	3,195,858	6,486,502	11,924,705	15,674,932	19,357,957	21,622,120	23,696,444	25,471,462	27,001,270	27,893,074	28,343,150	28,809,608	29,050,750	29,324,542	29,490,388	29,698,755	29,997,200	30,188,865	30,589,468	30,730,811		
1997	243,237	1,941,791	3,613,391	5,596,523	7,097,294	8,353,721	9,780,338	10,862,002	11,397,909	11,854,204	12,619,819	13,404,162	13,798,135	14,278,098	14,989,272	15,233,067	15,545,257	15,685,331	16,140,950	16,408,094	16,628,059			
1998	496,343	4,667,619	8,640,255	11,893,650	14,077,235	15,150,803	16,007,815	16,791,988	17,806,404	18,539,293	20,054,074	21,076,997	22,237,345	22,873,674	23,419,931	23,919,341	24,395,560	24,951,201	25,490,975	25,867,008				
1999	1,660,761	6,971,717	9,069,641	11,405,494	13,125,161	14,924,522	16,065,950	16,909,461	17,761,496	18,486,440	19,677,362	20,519,324	21,272,885	21,992,192	22,335,570	22,655,943	22,992,749	23,466,820	23,775,013					
2000	2,393,809	7,414,375	9,641,052	11,696,395	13,288,505	14,754,230	15,923,316	17,025,575	18,244,849	19,631,783	20,684,580	21,245,477	21,985,795	22,694,635	23,257,439	24,147,629	24,745,908	25,384,426						
2001	1,176,558	2,313,840	3,271,832	4,018,880	4,739,990	5,173,023	5,560,151	5,855,087	6,447,313	6,900,744	7,162,781	7,688,301	7,902,179	8,240,783	8,606,380	9,208,067	9,521,980							
2002	645,042	2,543,530	3,679,251	4,557,216	5,191,539	5,886,394	7,186,038	7,744,011	8,396,136	8,974,700	9,242,173	9,626,726	10,055,160	10,434,973	11,008,680	11,539,162								
2003	788,504	2,109,977	3,136,139	4,019,097	4,668,412	5,339,433	6,286,297	6,883,615	7,333,896	8,646,504	9,124,065	9,666,845	10,012,959	10,430,133	10,806,691									
2004	525,909	2,456,746	3,648,451	4,381,107	5,475,074	6,682,943	7,523,473	8,325,371	8,968,912	9,886,769	10,963,130	11,536,838	12,108,495	12,567,990										
2005	588,767	2,467,092	3,471,322	4,527,800	5,036,456	5,780,686	6,188,360	6,468,281	6,912,053	7,345,496	7,685,452	8,306,044	8,916,600											
2006	150,598	866,588	1,474,355	1,996,337	2,641,442	3,001,114	3,315,699	3,658,280	3,811,972	4,174,095	4,875,151	5,522,783												
2007	418,889	2,676,230	4,332,762	4,967,871	5,622,828	6,325,535	6,686,693	6,994,837	7,404,710	8,240,376	8,454,478													
2008	1,143,335	2,584,902	3,348,994	3,824,676	4,659,332	5,202,209	5,595,590	6,125,655	6,787,875	7,178,881														
2009	447,497	1,849,550	2,531,732	2,945,630	3,152,238	3,508,286	3,859,080	4,103,722	4,427,137															
2010	144,979	1,047,752	1,581,927	2,172,866	2,505,603	2,877,876	3,113,665	3,546,725																
2011	585,352	1,822,899	2,758,501	3,324,813	3,888,626	4,307,053	4,796,587																	
2012	853,581	1,682,577	2,692,252	3,260,369	3,805,838	4,402,216																		
2013	570,761	1,491,143	2,237,177	3,190,494	4,067,060																			
2014	161,522	1,731,211	2,290,003	2,663,343																				
2015	390,450	2,180,244	4,274,897																					
2016	419,774	1,993,721																						
2017	1,055,643																							

Missouri Petroleum Storage Tank Insurance Fund
Special Project
All Non-Remedial Claims
Summary of Incurred Loss Development Method

<u>AY</u>	<u>Indicated Ultimate</u>	<u>Paid Losses</u>	<u>Incurred Losses</u>	<u>Case Reserve</u>	<u>IBNR Reserve</u>	<u>Unpaid Losses</u>
1994	8,990,055	7,216,738	8,436,787	1,220,049	553,268	1,773,317
1995	6,565,235	5,692,976	6,111,700	418,724	453,535	872,259
1996	35,234,378	30,730,811	32,522,771	1,791,961	2,711,607	4,503,568
1997	19,534,020	16,628,059	17,869,584	1,241,524	1,664,436	2,905,960
1998	32,337,193	25,867,008	29,301,991	3,434,983	3,035,202	6,470,185
1999	28,167,533	23,775,013	25,267,332	1,492,319	2,900,202	4,392,521
2000	33,230,638	25,384,426	29,490,202	4,105,776	3,740,436	7,846,212
2001	12,897,959	9,521,980	11,315,260	1,793,280	1,582,699	3,375,979
2002	16,260,983	11,539,162	14,090,509	2,551,346	2,170,474	4,721,820
2003	14,856,069	10,806,691	12,702,774	1,896,083	2,153,295	4,049,377
2004	16,905,178	12,567,990	14,247,613	1,679,624	2,657,565	4,337,189
2005	13,233,392	8,916,600	11,067,382	2,150,782	2,166,009	4,316,792
2006	8,654,012	5,522,783	7,062,278	1,539,495	1,591,734	3,131,229
2007	12,783,116	8,454,478	10,224,955	1,770,477	2,558,160	4,328,638
2008	11,235,375	7,178,881	8,763,154	1,584,273	2,472,221	4,056,494
2009	7,410,333	4,427,137	5,515,833	1,088,696	1,894,500	2,983,196
2010	8,057,522	3,546,725	5,586,617	2,039,892	2,470,905	4,510,797
2011	10,434,512	4,796,587	7,029,628	2,233,041	3,404,883	5,637,924
2012	9,607,758	4,402,216	6,157,049	1,754,833	3,450,709	5,205,542
2013	10,481,273	4,067,060	6,276,010	2,208,950	4,205,263	6,414,212
2014	8,276,489	2,663,343	4,681,516	2,018,172	3,594,973	5,613,145
2015	12,905,904	4,274,897	6,925,272	2,650,376	5,980,632	8,631,008
2016	10,552,690	1,993,721	5,165,738	3,172,018	5,386,952	8,558,970
2017	10,306,227	1,055,643	3,781,033	2,725,390	6,525,194	9,250,584
Total	358,917,842	241,030,925	289,592,988	48,562,063	69,324,854	117,886,917

Missouri Petroleum Storage Tank Insurance Fund
Special Project
All Non-Remedial Claims
Development of Incurred Losses to Ultimate

AY	12 - 24	24 - 36	36 - 48	48 - 60	60 - 72	72 - 84	84 - 96	96 - 108	108 - 120	120 - 132	132 - 144	144 - 156	156 - 168	168 - 180	180 - 192	192 - 204	204 - 216	216 - 228	228 - 240	240 - 252	252 - 264	264 - 276	276 - 288	288 - Ult
1994	5.567	2.202	1.007	1.153	1.031	1.187	1.117	1.082	1.137	0.983	0.992	0.980	0.977	1.069	1.022	0.999	1.071	1.029	0.997	1.024	1.043	1.008	0.978	1.066
1995	2.062	0.983	1.101	1.070	1.222	1.016	1.157	1.007	1.016	1.079	0.992	1.015	1.017	1.025	1.040	1.056	1.012	1.002	1.019	0.999	1.021	1.005	1.008	1.066
1996	0.873	1.034	0.971	1.049	1.048	1.000	0.993	0.968	0.942	0.996	0.978	0.971	0.981	1.005	1.004	1.008	0.999	1.011	1.012	1.002	1.021	1.009	1.008	1.066
1997	1.512	1.075	1.190	1.218	1.072	1.031	1.042	0.968	1.015	1.054	1.001	1.013	1.024	1.017	1.019	1.004	1.017	1.010	1.006	1.002	1.009	1.009	1.008	1.066
1998	1.142	1.377	1.107	1.054	1.070	1.000	0.983	1.022	1.029	1.020	1.024	1.014	1.022	1.042	1.013	1.002	1.041	1.013	1.002	1.010	1.009	1.009	1.008	1.066
1999	1.525	1.073	1.028	1.058	1.023	0.977	1.032	1.011	1.062	1.032	1.013	1.031	0.991	0.997	1.003	1.005	0.999	0.979	1.010	1.010	1.009	1.009	1.008	1.066
2000	1.363	1.151	1.131	0.975	0.947	1.046	1.022	1.034	1.036	1.011	1.002	1.025	1.007	1.020	1.024	1.025	1.007	1.011	1.010	1.010	1.009	1.008	1.066	
2001	1.008	1.042	0.932	0.913	0.989	1.063	1.037	1.085	1.036	1.010	1.025	1.020	1.007	1.032	1.026	1.026	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2002	1.216	1.068	0.939	0.998	1.013	1.085	0.987	1.033	1.025	1.043	1.034	1.037	1.004	1.031	1.009	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2003	0.935	1.107	1.076	0.972	1.085	1.058	1.008	1.012	1.120	1.057	1.016	0.998	1.006	1.008	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2004	0.817	1.072	1.041	1.155	1.033	1.023	1.050	1.083	1.110	1.017	1.011	1.007	1.014	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2005	1.123	1.007	1.051	0.984	1.046	0.988	1.036	1.025	0.998	1.003	1.029	1.071	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2006	1.076	0.984	1.002	1.158	0.994	0.981	1.021	1.143	1.042	1.035	1.009	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2007	1.241	0.960	0.952	0.964	1.129	1.023	1.032	1.095	1.031	1.017	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2008	0.875	1.011	1.011	1.121	1.071	1.042	1.078	1.042	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2009	0.980	0.943	1.040	1.029	1.031	1.080	0.987	1.046	1.048	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2010	0.850	1.105	1.077	1.076	1.118	1.032	1.059	1.074	1.048	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2011	1.170	1.088	1.157	1.010	1.067	1.116	1.029	1.074	1.048	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2012	1.057	1.152	1.008	1.083	1.067	1.051	1.029	1.074	1.048	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2013	0.983	1.109	1.027	1.097	1.070	1.051	1.029	1.074	1.048	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2014	1.148	0.942	1.009	1.059	1.070	1.051	1.029	1.074	1.048	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2015	2.188	1.177	1.054	1.059	1.070	1.051	1.029	1.074	1.048	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2016	1.883	1.096	1.054	1.059	1.070	1.051	1.029	1.074	1.048	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066
2017	1.334	1.096	1.054	1.059	1.070	1.051	1.029	1.074	1.048	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008	1.066

AY	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	276	288	Ult
1994	298,146	1,659,847	3,655,405	3,681,575	4,246,206	4,379,940	5,200,164	5,809,719	6,288,687	7,148,383	7,023,680	6,966,103	6,829,247	6,674,720	7,135,915	7,294,959	7,288,727	7,806,508	8,033,346	8,012,967	8,201,856	8,556,224	8,624,855	8,436,787	8,990,055
1995	1,324,150	2,730,453	2,682,892	2,952,774	3,158,830	3,859,973	3,922,138	4,538,411	4,571,208	4,643,699	5,008,285	4,968,094	5,043,735	5,131,965	5,258,583	5,466,972	5,773,712	5,842,770	5,854,194	5,964,647	5,959,297	6,082,082	6,111,700	6,161,196	6,565,235
1996	38,003,484	33,181,704	34,301,133	33,322,789	34,970,583	36,643,719	36,642,838	36,390,947	35,222,036	33,182,043	33,045,952	32,335,095	31,397,097	30,794,680	30,963,414	31,096,527	31,345,645	31,326,580	31,685,605	32,071,413	32,148,232	32,522,771	32,800,341	33,065,976	35,234,378
1997	5,692,351	8,609,453	9,258,535	11,013,757	13,417,158	14,384,072	14,826,092	15,448,063	14,948,089	15,171,589	15,986,896	15,996,448	16,209,663	16,598,474	16,879,669	17,205,512	17,268,502	17,562,343	17,732,143	17,841,903	17,869,584	18,030,699	18,184,584	18,331,852	19,534,020
1998	11,954,357	13,655,950	18,804,943	20,816,700	21,939,505	23,470,497	23,462,391	23,071,010	23,579,152	24,260,684	24,740,988	25,340,227	25,683,639	26,244,919	27,347,505	27,693,149	27,742,776	28,868,087	29,256,852	29,301,991	29,581,837	29,848,551	30,103,297	30,347,090	32,337,193
1999	12,232,170	18,659,015	20,012,853	20,581,309	21,779,286	22,281,960	22,461,527	22,707,726	24,105,180	24,866,602	25,181,213	25,961,610	25,730,188	25,640,923	25,711,213	25,836,452	25,818,324	25,267,332	25,523,700	25,767,461	25,999,785	26,221,683	26,434,041	28,167,533	
2000	13,918,623	18,977,920	21,841,463	24,710,877	26,086,699	22,813,733	23,852,943	24,369,042	25,208,756	26,126,360	26,418,260	26,471,408	27,143,037	27,891,255	28,571,584	29,288,294	29,490,202	29,809,126	30,111,576	30,399,154	30,673,237	30,935,022	31,185,550	33,230,638	
2001	8,944,781	9,016,185	9,397,598	8,754,941	7,989,537	7,904,639	8,404,897	8,714,335	9,451,234	9,789,327	9,882,364	10,131,734	10,333,737	10,404,660	10,740,644	11,025,099	11,315,260	11,446,167	11,569,952	11,687,343	11,798,962	11,905,343	12,006,951	12,104,190	12,897,959
2002	8,614,995	10,476,026	11,193,294	10,508,038	10,489,724	10,680,080	11,537,847	11,389,325	11,760,614	12,060,220	12,582,494	13,006,717	13,482,323	13,540,337	13,964,098	14,090,509	14,265,609	14,430,649	14,586,710	14,734,710	14,875,432	15,009,552	15,137,652	15,260,245	16,260,983
2003	8,234,004	7,696,059	8,518,090	9,168,133	8,914,700	9,675,261	10,327,983	10,737,983	10,437,299	11,688,761	12,352,071	12,547,441	12,542,774	12,607,839	12,702,774	12,873,119	13,033,092	13,183,872	13,326,450	13,461,663	13,590,227	13,712,759	13,829,792	13,941,793	14,856,069
2004	9,660,592	7,894,782	8,461,271	8,807,070	10,175,751	10,515,024	10,754,494	11,293,537	12,225,321	13,564,217	13,794,169	13,950,851	14,046,732	14,247,613	14,454,878	14,648,719	14,830,757	15,002,334	15,164,578	15,318,441	15,464,738	15,604,171	15,737,347	15,864,796	16,905,178
2005	7,821,246	8,781,799	8,844,760	9,297,740	9,149,986	9,573,216	9,457,310	9,793,554	10,037,242	10,012,466	10,042,025	10,333,559	11,067,382	11,153,047	11,315,294	11,467,033	11,609,532	11,743,843	11,870,848	11,991,292	12,105,814	12,214,962	12,319,212	12,418,979	13,233,392
2006	4,632,774	4,985,158	4,907,686	4,918,695	5,695,670	5,664,082	5,558,311	5,676,440	6,489,331	6,762,710	7,000,248	7,062,278	7,237,545	7,293,565	7,399,667	7,498,897	7,592,085	7,679,918	7,762,973	7,841,738	7,916,630	7,988,007	8,056,182	8,121,425	8,654,012
2007	6,828,724	8,477,110	8,138,606	7,749,152	7,469,633	8,436,635	8,633,942	8,907,695	9,752,147	10,055,202	10,224,955	10,431,915	10,690,806	10,773,556	10,930,282	11,076,858	11,214,509	11,344,250	11,466,933	11,583,279	11,693,904	11,799,338	11,900,041	11,996,414	12,783,116
2008	6,137,707	6,892,444	6,030,211	6,096,025	6,836,636	7,233,140	7,487,521	7,798,695	8,408,879	8,763,154	8,986,949	9,168,850	9,396,396	9,469,125	9,606,877	9,735,706	9,856,690	9,970,723	10,078,552	10,180,811	10,278,042	10,370,710	10,459,220	10,543,925	11,235,375
2009	4,848,025	4,750,022	4,481,304	4,66																					

Missouri Petroleum Storage Tank Insurance Fund
Special Project
All Non-Remedial Claims
Incurred Loss Development Factors

AY	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-240	240-252	252-264	264-276	276-288
1994	5.567	2.202	1.007	1.153	1.031	1.187	1.117	1.082	1.137	0.983	0.992	0.980	0.977	1.069	1.022	0.999	1.071	1.029	0.997	1.024	1.043	1.008	0.978
1995	2.062	0.983	1.101	1.070	1.222	1.016	1.157	1.007	1.016	1.079	0.992	1.015	1.017	1.025	1.040	1.056	1.012	1.002	1.019	0.999	1.021	1.005	
1996	0.873	1.034	0.971	1.049	1.048	1.000	0.993	0.968	0.942	0.996	0.978	0.971	0.981	1.005	1.004	1.008	0.999	1.011	1.012	1.002	1.012		
1997	1.512	1.075	1.190	1.218	1.072	1.031	1.042	0.968	1.015	1.054	1.001	1.013	1.024	1.017	1.019	1.004	1.017	1.010	1.006	1.002			
1998	1.142	1.377	1.107	1.054	1.070	1.000	0.983	1.022	1.029	1.020	1.024	1.014	1.022	1.042	1.013	1.002	1.041	1.013	1.002				
1999	1.525	1.073	1.028	1.058	1.023	0.977	1.032	1.011	1.062	1.032	1.013	1.031	0.991	0.997	1.003	1.005	0.999	0.979					
2000	1.363	1.151	1.131	0.975	0.947	1.046	1.022	1.034	1.036	1.011	1.002	1.025	1.007	1.020	1.024	1.025	1.007						
2001	1.008	1.042	0.932	0.913	0.989	1.063	1.037	1.085	1.036	1.010	1.025	1.020	1.007	1.032	1.026	1.026							
2002	1.216	1.068	0.939	0.998	1.013	1.085	0.987	1.033	1.025	1.043	1.034	1.037	1.004	1.031	1.009								
2003	0.935	1.107	1.076	0.972	1.085	1.058	1.008	1.012	1.120	1.057	1.016	0.998	1.006	1.008									
2004	0.817	1.072	1.041	1.155	1.033	1.023	1.050	1.083	1.110	1.017	1.011	1.007	1.014										
2005	1.123	1.007	1.051	0.984	1.046	0.988	1.036	1.025	0.998	1.003	1.029	1.071											
2006	1.076	0.984	1.002	1.158	0.994	0.981	1.021	1.143	1.042	1.035	1.009												
2007	1.241	0.960	0.952	0.964	1.129	1.023	1.032	1.095	1.031	1.017													
2008	1.123	0.875	1.011	1.121	1.071	1.022	1.042	1.078	1.042														
2009	0.980	0.943	1.040	1.029	1.031	1.080	0.987	1.046															
2010	0.850	1.105	1.077	1.076	1.118	1.032	1.059																
2011	1.170	1.088	1.157	1.010	1.067	1.116																	
2012	1.057	1.152	1.008	1.083	1.067																		
2013	0.983	1.109	1.027	1.097																			
2014	1.148	0.942	1.009																				
2015	2.188	1.177																					
2016	1.883																						
VOL WTD 3	1.643	1.082	1.015	1.062	1.081	1.079	1.030	1.077	1.038	1.016	1.017	1.022	1.008	1.024	1.021	1.017	1.016	1.000	1.007	1.002	1.018	1.007	0.978
VOL WTD 5	1.334	1.096	1.054	1.059	1.070	1.051	1.029	1.074	1.048	1.026	1.020	1.025	1.008	1.015	1.014	1.011	1.012	1.003	1.007	1.005	1.018	1.007	0.978
VOL WTD ALL	1.135	1.086	1.038	1.045	1.041	1.026	1.021	1.025	1.030	1.021	1.008	1.013	1.003	1.020	1.014	1.012	1.015	1.005	1.007	1.005	1.018	1.007	0.978
ARITH 3	1.740	1.076	1.014	1.063	1.084	1.076	1.029	1.073	1.038	1.018	1.016	1.025	1.008	1.024	1.020	1.019	1.016	1.001	1.007	1.001	1.025	1.006	0.978
ARITH 5	1.452	1.094	1.055	1.059	1.071	1.055	1.028	1.077	1.044	1.026	1.020	1.027	1.008	1.018	1.015	1.012	1.013	1.003	1.007	1.007	1.025	1.006	0.978
ARITH ALL	1.428	1.115	1.041	1.057	1.056	1.040	1.036	1.043	1.043	1.025	1.010	1.015	1.005	1.025	1.018	1.016	1.021	1.007	1.007	1.007	1.025	1.006	0.978
Inv Pw Curve	1.327	1.145	1.090	1.064	1.049	1.040	1.033	1.028	1.025	1.022	1.019	1.017	1.016	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008
5 YR HI LO	1.363	1.116	1.037	1.063	1.068	1.045	1.032	1.073	1.038	1.023	1.019	1.021	1.007	1.020	1.015	1.011	1.008	1.008	1.007	1.002	1.021	NA	NA
SELECTED	1.334	1.096	1.054	1.059	1.070	1.051	1.029	1.074	1.048	1.026	1.020	1.025	1.008	1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008
														1.015	1.013	1.012	1.012	1.011	1.010	1.010	1.009	1.009	1.008
																							1.066

Missouri Petroleum Storage Tank Insurance Fund
Special Project
All Non-Remedial Claims
Incurred Losses

AY	12	24	26	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	264	276	288
1993	50,085	155,010	281,919	3,041,913	3,354,974	3,707,106	4,257,106	4,917,083	5,091,393	5,321,387	5,588,920	5,481,542	5,354,626	5,304,095	5,336,959	5,822,449	5,980,727	6,194,941	6,295,992	6,860,273	6,926,852	7,074,614	7,564,347	7,577,527
1994	298,146	1,659,847	3,655,405	3,681,575	4,246,206	4,379,940	5,200,164	5,809,719	6,288,687	7,148,383	7,023,680	6,968,103	6,829,247	6,674,720	7,135,915	7,294,959	7,288,727	7,806,508	8,033,346	8,012,967	8,201,856	8,556,224	8,624,855	8,436,787
1995	1,324,150	2,730,453	2,682,892	2,952,774	3,158,830	3,859,973	3,922,138	4,538,411	4,571,208	4,643,699	5,008,285	4,968,094	5,043,735	5,131,965	5,258,583	5,466,972	5,773,712	5,842,770	5,854,194	5,964,647	5,959,297	6,082,082	6,111,700	
1996	38,003,484	33,181,704	34,301,133	33,322,789	34,970,583	36,643,719	36,642,838	36,390,947	35,222,036	33,182,043	33,045,952	32,335,095	31,397,097	30,794,680	30,963,414	31,096,527	31,345,645	31,326,580	31,685,605	32,071,413	32,148,232	32,522,771		
1997	5,692,351	8,609,453	9,258,535	11,013,757	13,417,158	14,384,072	14,826,092	15,448,063	14,948,089	15,171,589	15,986,896	15,996,448	16,209,663	16,598,474	16,879,669	17,205,512	17,268,502	17,562,343	17,732,143	17,841,903	17,869,584			
1998	11,954,357	13,655,950	18,804,943	20,816,700	21,939,505	23,470,497	23,462,391	23,071,010	23,579,152	24,260,684	24,740,988	25,340,227	25,683,639	26,244,919	27,347,505	27,693,149	27,742,776	28,868,087	29,256,852	29,301,991				
1999	12,232,170	18,659,015	20,012,853	20,581,309	21,779,286	22,281,960	21,772,794	22,461,527	22,707,726	24,105,180	24,866,602	25,181,213	25,961,610	25,730,188	25,640,923	25,711,213	25,836,452	25,818,324	25,267,332					
2000	13,918,623	18,977,920	21,841,463	24,710,877	24,098,699	22,813,733	23,852,943	24,369,042	25,208,756	26,126,360	26,418,260	26,471,468	27,143,037	27,338,910	27,891,255	28,571,584	29,288,294	29,490,202						
2001	8,944,781	9,016,185	9,397,598	8,754,941	7,989,537	7,904,639	8,404,897	8,714,535	9,451,234	9,789,327	9,882,364	10,131,734	10,333,737	10,404,660	10,740,644	11,025,099	11,315,260							
2002	8,614,995	10,476,026	11,193,294	10,508,038	10,489,724	10,630,080	11,537,847	11,389,325	11,760,614	12,060,220	12,582,494	13,006,717	13,482,323	13,540,337	13,964,098	14,090,509								
2003	8,234,004	7,696,059	8,518,090	9,168,133	8,914,700	9,675,261	10,237,983	10,318,457	10,437,299	11,688,761	12,352,071	12,546,442	12,527,402	12,601,839	12,702,774									
2004	9,660,592	7,894,782	8,461,271	8,807,070	10,175,751	10,515,024	10,754,494	11,293,537	12,225,321	13,564,217	13,794,169	13,950,851	14,046,732	14,247,613										
2005	7,821,246	8,781,799	8,844,760	9,297,740	9,149,986	9,573,216	9,457,310	9,793,554	10,037,242	10,012,466	10,042,025	10,333,559	11,067,382											
2006	4,632,774	4,985,158	4,907,686	4,918,695	5,695,670	5,664,082	5,558,311	5,676,440	6,489,331	6,762,710	7,000,248	7,062,278												
2007	6,828,724	8,477,110	8,138,606	7,749,152	7,469,633	8,436,635	8,633,942	8,907,695	9,752,147	10,055,202	10,224,955													
2008	6,137,707	6,892,444	6,030,211	6,096,025	6,836,636	7,323,140	7,487,521	7,798,695	8,408,879	8,763,154														
2009	4,848,025	4,750,022	4,481,304	4,660,528	4,797,649	4,947,994	5,342,136	5,272,353	5,515,833															
2010	4,206,356	3,574,253	3,950,922	4,254,743	4,576,265	5,116,038	5,277,705	5,586,617																
2011	3,970,936	4,645,648	5,054,138	5,847,033	5,906,249	6,300,471	7,029,628																	
2012	4,344,966	4,590,616	5,287,195	5,327,270	5,769,197	6,157,049																		
2013	5,113,573	5,027,275	5,575,042	5,723,327	6,276,010																			
2014	4,288,876	4,924,932	4,640,136	4,681,516																				
2015	2,688,309	5,882,186	6,925,272																					
2016	2,743,215	5,165,738																						
2017	3,781,033																							

Appendix A – Interview Questions for UST/LUST Regulators

1. Who are the major providers of UST insurance in the State?
 - a. Do you review the contracts /policy forms?
 - b. What about policy exclusions, such as for voluntary tank removal?
 - c. What endorsements would you like to see available to your tank owners?
 - d. Are these policies written in the admitted or E&S markets?
2. Do you see any particular issues in your State in terms of tank owners and operators not being able to get coverage or not being able to afford it?
 - a. Any major issues you see in the pipeline in terms of availability?
 - b. Any major issues you see in the pipeline in terms of affordability?
3. Do you see a lot of denials of coverage for owners or operators with commercial insurance?
 - a. If so, do you know the major causes of denials?
 - i. Retro date issues?
 - ii. Unknown source of contamination?
 - iii. Other?
 - b. Does the State step in if there is a denial?
4. Many States seem to have the problem of an aging tank population, and it is our understanding that older tanks are often more expensive (if not impossible) to insure.
 - a. Do you keep track of the age of tanks in your State?
 - b. Do you keep track of the types of tanks (double v single wall, steel v fiberglass, lined v unlined, etc.)
 - c. Do you have any other issues like these?
 - d. Any special concerns not addressed by the current commercial insurance market?
5. We were informed that some States are seeing reductions in coverage to insureds, such as self-insured retentions or changing retroactive dates on policies that can limit whether a release is covered and the amount that might be reimbursed. Do you see these at all in your State?

Appendix B – Interview Questions for Commercial Insurance Companies

1. Do you currently write coverage in Missouri for underground and/or aboveground storage tanks?
2. Do you have policy exclusions, such as for voluntary tank removal?
3. Do you write policies in the admitted or excess & surplus markets?
4. In some states, some tank owners have some pretty old tank systems for which they have trouble getting coverage (or for which coverage is pretty expensive). Do you rate tank systems on the basis of:
 - a. Age of tank or piping
 - b. Type of tank or type of piping (steel, fiberglass, plastic)
 - c. Size of tank
 - d. Throughput of tank system
 - e. Type of leak detection equipment
 - f. Whether tank is retrofitted with cathodic protection or lining
 - g. Number of tank systems owned/operated by applicant
 - h. Number of dispensers
 - i. Proximity to populated areas or to drinking water wells
 - j. Soil / geological setting
 - k. Financial soundness of applicant
 - l. Extent of business relationship with applicant
 - m. Anything else?
5. Would it be difficult to get coverage if you had a 25-year-old UST?
6. Do you require a phase II site assessment or similar study to determine if there's pre-existing pollution before you issue coverage?
 - a. What about a physical inspection of the premises?
7. Do you have a lot of releases with unknown sources of contamination or commingled old contamination?
8. Do you offer coverage for ASTs or just USTs?
 - a. Are the underwriting criteria the same?
9. Any recent changes to policy language?
 - a. Have you had people moving up their retro dates who are then unable to obtain coverage for a leak?
 - b. Reductions to coverage like self-insured retentions?
 - c. Do you offer deductible options?
10. Does claim frequency affect u/w or renewal decisions?
11. Would you be able to e-mail us a copy of a policy for UST coverage?

Appendix C – Policies, Applications, and Rate Filings



ACE TANKSAFE®

**Storage Tank Liability
Insurance Policy**

APPLICATION

Instructions:

- Please type or print clearly.
- Answer **ALL** questions completely, leaving no blanks. If any questions, or part thereof, do not apply, print "N/A" in the space.
- Provide any supporting information on a separate sheet using the Applicant's letterhead and reference the applicable question number.
- Check Yes or No answers.
- This form must be completed, dated and signed by a principal of the Applicant.

Required Attachments:

- Copies of the Applicant's past two (2) years of audited financial statements and annual reports
- Summary of Environmental Site Assessments/Remediation (past, current, planned) ☐ (check if none)
- Storage Tank Inventory – By Location Document (Attachment I)
- Marina Questionnaire (Attachment II) ☐ (check if no marina exposure)

NOTICE TO APPLICANT: THE COVERAGE APPLIED FOR IS SOLELY AS STATED IN THE POLICY AND ANY ENDORSEMENTS ATTACHED THERETO. THE POLICY PROVIDES COVERAGE FOR THIRD-PARTY LIABILITY ON A CLAIMS-MADE AND REPORTED BASIS, WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE POLICY ALSO PROVIDES COVERAGE FOR FIRST-PARTY REMEDIATION COSTS ON A DISCOVERED AND REPORTED BASIS, WHICH COVERS ONLY STORAGE TANK INCIDENTS FIRST DISCOVERED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD.

1. Name of Applicant: _____

Principal Contact: _____ E-mail Address: _____

Mailing Address: _____

Telephone #: _____ Fax #: _____

URL: http:// _____ Date Established: _____

The Applicant is: ☐ Corporation ☐ Partnership ☐ Joint Venture ☐ LLC/LLP

☐ Other: _____

Federal Employer Identification Number (FEIN): _____

2. Details of locations where the insured storage tanks are located:
(Continue on a separate sheet, if necessary.)

Company Name:	Street Address City, State Zip Code:	No. of USTs at this location	No. of ASTs at this location	Known Pre-existing Contamination Present?*	Facility Type**

- a. *If Yes, please provide details on a separate sheet. Include at a minimum:

- Prior Environmental Site Assessments (including date performed)
- Past, current, planned sampling/remediation, etc.

- b. **Facility Type: - Airport - Automobile/Other Motor Vehicle Facility
 - Convenience Store - Schools/Educational Services Facility
 - Gasoline Service Station - Petroleum Bulk Station/Terminal
 - Marina - Other (If "Other", please describe.)

3. Please complete the **Storage Tank Inventory – By Location** form as attached to this application. (If more than one location, please make duplicates of the inventory form and complete a separate form for each location.)

4. The Applicant's total gross revenues in the last filed tax return, excluding recovered expenses:

\$_____ [for the period ending: month _____ year _____]

5. The Applicant's estimated gross revenues for the current fiscal year: \$_____

6. Desired effective date of coverage: _____

- a. Desired Retroactive Date: ☐ Policy Inception ☐ Other _____

(In order to obtain retroactive coverage, you must provide copies of all prior policies for the corresponding time period.)

7. Limits of Liability and Deductible requested:

Limits of Liability:	Deductible:
Per Storage Tank Incident: \$_____	\$_____
Aggregate: \$_____	(per Storage Tank Incident)
Aggregate Legal Defense Expense Limit: \$_____	

8. Were all of the Applicant's or any other party to the proposed insurance's storage tanks new at the time of installation? ☐ YES ☐ NO

9. Were any of the Applicant's or any other party to the proposed insurance's storage tanks installed prior to 1975? ☐ YES ☐ NO

10. Are any of the Applicant's or any other party to the proposed insurance's storage tanks located within one (1) mile of a body of water? ☐ YES ☐ NO
(If "Yes", please complete the **Marina Questionnaire** form as attached to this

application.)

11. Are any of the Applicant's or any other party to the proposed insurance's facilities located in the State of Florida? ☐ YES ☐ NO
12. Are Single-Walled Storage Tanks (i.e., Bare Steel Tanks, Steel Tanks with Cathodic Protection, STIP $\frac{3}{4}$ Tanks or Tanks operating under ACT 100), with or without any form of tank lining, located at the Applicant's or any other party to the proposed insurance's facilities in the State of Florida? (Only applicable if Question 11. is answered "Yes"). ☐ N/A ☐ YES ☐ NO
13. Within the past five (5) years has the Applicant purchased this type of insurance coverage?
(If "Yes", please provide information regarding any such coverage and all available loss information.) ☐ YES ☐ NO
14. Are there currently, or have there historically been, any hazardous, toxic, or regulated substances stored at any of the locations for which this application for insurance is being made other than these products: Gasoline, Diesel Fuel, Motor Oil, Fuel Oil, or Kerosene? ☐ YES ☐ NO
15. Were any tanks ever removed or closed in placed at the location(s) where the scheduled tanks are currently located? ☐ YES ☐ NO
- a. Will any scheduled storage tank(s) be removed, closed or upgraded at any of the facilities for which coverage is sought under this policy within the next eighteen (18) months? ☐ YES ☐ NO
16. Does the Applicant and any other parties to the proposed insurance maintain a Spill Prevention and Counter Control Plan with regard to any aboveground tanks for which coverage is sought? (If "Yes", please provide a copy of such plan.) ☐ N/A ☐ YES ☐ NO
17. Within the past five (5) years have there been any reportable spills of regulated substances, hazardous waste or any other pollutants, as defined by applicable environmental statutes or regulations, at the facility(ies) where the tanks the Applicant is seeking coverage for are located? ☐ YES ☐ NO
18. Within the past ten (10) years have any repairs or upgrades been performed on any tanks? ☐ YES ☐ NO
- a. Are all underground storage tanks compliant with 1998 regulations? ☐ YES ☐ NO
19. Within the past five (5) years have any claims been made or legal actions (including any regulatory proceedings) been brought against the Applicant or any other party to the proposed insurance? ☐ YES ☐ NO
20. Does the Applicant or any other party to the proposed insurance have knowledge of pollution conditions at any of the proposed covered locations? ☐ YES ☐ NO
21. At the time of signing this application, is the Applicant or any other party to the proposed insurance aware of any circumstances that may reasonably be expected to give rise to a claim against any party to the proposed insurance? ☐ YES ☐ NO
22. Within the last five (5) years before the date of signing this application, has the Applicant, any of its affiliated entities, or any person or entity proposed to be an insured filed or been the subject of any proceeding related to bankruptcy, receivership, and/or insolvency? ☐ YES ☐ NO
23. At the time of signing this application, do the Applicant, any of its affiliated entities,

or any person or entity proposed to be an insured either (a) intend to commence or (b) know of any plan or threat to commence any proceeding relating to bankruptcy, receivership, and/or insolvency, whether by or against one or more of them?

☐ YES ☐ NO

If "Yes" to Questions 14. through 23., above, provide a description of the information, claim, or circumstance.

***IT IS UNDERSTOOD AND AGREED THAT IF ANY SUCH CLAIMS EXIST OR ANY SUCH FACTS OR CIRCUMSTANCES EXIST WHICH COULD GIVE RISE TO A CLAIM, THEN THOSE CLAIMS AND ANY OTHER CLAIMS ARISING FROM SUCH FACTS OR CIRCUMSTANCES ARE EXCLUDED FROM THE PROPOSED INSURANCE UNLESS OTHERWISE AFFIRMATIVELY STATED IN THE POLICY.**

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURER THAT IT AND THE OTHER PARTIES TO THIS INSURANCE, ALONG WITH ANY FOREIGN SUBSIDIARIES, WILL STRICTLY FOLLOW ANY WATER INTRUSION, MOLD-RELATED, FUNGI-RELATED OR BACTERIA-RELATED OPERATION AND MAINTENANCE PROCEDURES OR PROTOCOLS, INCLUDING ANY WATER INTRUSION, MOLD-RELATED, FUNGI-RELATED OR BACTERIA-RELATED DUE DILIGENCE PROCEDURES OR PROTOCOLS FOR THE ACQUISITION, LEASE, OPERATION, MANAGEMENT OR MAINTENANCE OF ANY PROPERTIES, WHICH WERE PROVIDED TO THE INSURER PRIOR TO THE INCEPTION OF ANY COVERAGE APPLIED FOR HEREIN. THE APPLICANT ACKNOWLEDGES THAT THE INSURER'S AGREEMENT TO PROVIDE MOLD, FUNGI AND/OR LEGIONELLA PNEUMOPHILA COVERAGE AS PART OF THE COVERAGE APPLIED FOR PURSUANT TO THIS APPLICATION IS PREDICATED UPON THE APPLICANT'S AGREEMENT TO PROVIDE THIS WARRANTY.

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURER THAT IT AND THE OTHER PARTIES TO THIS INSURANCE, ALONG WITH ANY FOREIGN SUBSIDIARIES, WILL STRICTLY FOLLOW ANY LEAD-BASED PAINT OR ASBESTOS OPERATION AND MAINTENANCE PROCEDURES OR PROTOCOLS, WHICH WERE PROVIDED TO THE INSURER PRIOR TO THE INCEPTION OF ANY SUCH COVERAGE APPLIED FOR HEREIN. THE APPLICANT ACKNOWLEDGES THAT THE INSURER'S AGREEMENT TO PROVIDE LEAD-BASED PAINT AND/OR ASBESTOS COVERAGE AS PART OF THE COVERAGE APPLIED FOR PURSUANT TO THIS APPLICATION IS PREDICATED UPON THE APPLICANT'S AGREEMENT TO PROVIDE THIS WARRANTY.

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURER THAT ALL STATEMENTS MADE IN THIS APPLICATION, INCLUDING ANY ATTACHMENTS THERETO, ABOUT THE APPLICANT AND ITS OPERATIONS ARE TRUE AND COMPLETE, AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED IN THIS APPLICATION OR CONCEALED. COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE APPLICANT'S ACCEPTANCE OF THE INSURER'S QUOTATION IS REQUIRED BEFORE THE APPLICANT MAY BE BOUND AND A POLICY ISSUED.

NOTICE TO APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO ARKANSAS, LOUISIANA, RHODE ISLAND and WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include

imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly and willfully presents a false or fraudulent claim for payment for a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MINNESOTA APPLICANTS: A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW MEXICO APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each violation.

NOTICE TO OHIO APPLICANTS: Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to defraud or solicit another to defraud an insurer: 1) by submitting an application, or 2) by filing a claim containing a false statement as to any material fact may be violating state law.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO TENNESSEE, VIRGINIA and WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Signature of Authorized Applicant

Signature of Broker/Agent

Print Name

Print Name

Title

Date

Date

Signed by Licensed Resident Agent
(Where Required By Law)



ACE TANKSAFE® ATTACHMENT I

Storage Tank Inventory By Location

Facility Name _____ Facility Address _____ Facility ID # _____

(Complete schedule with symbols below)

	1	2	3	4	5	6
Tank #						
UST/AST						
Install Date Year						
Capacity (Gallons)						
Contents						
Tank Construction Material						
Overfill/Spill Protection						
Tank Leak Detection						
AST Diking & Base Construction						
Piping Construction Material						
Piping Leak Detection						

Contents

A. Unleaded Gasoline
B. Gasohol
C. Diesel
D. Kerosene
E. Waste Oil/ Used Oil
F. Fuel Oil
G. Generic Gasoline
H. Pesticide
I. Ammonia compound
J. Chlorine compound
K. Haz. Substance (CERCLA)
L. Mineral Acids
M. Grades 5&6 bunker 'C' oils
N. Petroleum-base additive(E85)
O. Misc. petroleum-base
P. Heating Oil
Q. Other, please identify

Tank Construction

A. Steel
B. Fiberglass
C. FRP Clad Steel
D. Concrete
E. Polyethylene
F. Other EPA/DEP Approved
G. Cathodic Protection
Sacrificial Anode
H. Cathodic Protection -
Impressed Current
I. Double Walled(DW) -
Single Material
J. Double Walled (DW)-
Dual Material
K. (DW)Synthetic Liner in
Tank Construction
L. (DW)Pipeless UST with
Secondary Containment
M. Internal Lining **STI.** STI-P3

Overfill/Spill Protection

A. Ball Check Valve
B. Spill Containment Bucket
C. Flow Shut-off
D. Tight Fill
E. Level Gauges, High Level Alarms
F. Other EPA/DEP Approved
Protection Method

Piping Construction Material

A. Steel
B. Fiberglass
C. Double walled
D. Approved Synthetic Material
E. Other EPA/DEP Approved
Piping Material
F. External Protective Coating
G. C/P with sacrificial anode or
impressed current

Tank Leak Detection

A. Groundwater Monitoring Wells
B. Interstitial Monitoring
C. Vapor Monitoring Wells
D. Visual Inspections of AST Systems
E. Other EPA/DEP Approved
F. SPCC Plan - AST
G. Interstitial Space -Double Walled Tank
H. Manual Tank Gauging - UST
I. Statistical Inventory Reconciliation -
(SIR)(USTs)
J. Automatic Tank Gauging System (USTs)
K. Interstitial Monitoring of AST tank bottom
L. Annual Tightness Test with Inventory -
(USTs)

AST Diking & Base Construction

A. Concrete, Synthetic Material, clays
B. Other EPA/DEP approved secondary
containment system
C. Dirt/Earth

Piping Leak Detection

A. Electronic Line Leak Detector
with Flow Shutoff
B. Interstitial Monitoring – Piping Filter
C. External Monitoring
D. Mechanical Line Leak Detector
E. Interstitial Monitoring of
double wall piping
F. Suction Pump Check Valve



ACE TANKSAFE® ATTACHMENT II

Marina Questionnaire

Answer the following questions in relation to any facility identified as a “marina” or any storage tank(s) located within one (1) mile of a body of water:

1. Please provide the facility name, full address and photo of the storage tank(s) and associated piping and appurtenances connected thereto.
2. Has a Spill Prevention, Control and Countermeasure Plan been completed within the past five (5) years? (If “Yes”, please provide a copy of the report.)
3. What is the distance from the storage tank to the nearest body of water? Also, please provide a description of the environment surrounding the tank?
☐ Less Than 2000 feet
☐ Less Than 1 mile
☐ More than 1 mile
4. What is the distance from the facility to the nearest recreational swimming area on this body of water?
☐ Less Than 2000 feet
☐ Less Than 1 mile
☐ More than 1 mile
5. Is all piping associated with the storage tank double-walled?
6. Is the piping associated with the storage tank UV Resistant?
7. What year was the piping associated with the storage tank installed? Has the piping ever been tested? (If “Yes”, provide a copy of the test results.)
8. Does the facility have piping that extends under the water? (If “Yes”, please describe and provide the Spill Prevention, Control and Countermeasure Plan in place for this piping.)
9. Does the facility have piping that extends over the water, including along bulkheads, docks or floating docks? (If “Yes”, please describe and provide the Spill Prevention, Control and Countermeasure Plan in place for this piping.)
10. Does the facility have a shut-off valve located on land that will stop the flow of product in the event of a release? (If “Yes”, please describe the placement of the valve and shut-off process.)
11. Are all dispensers associated with the storage tank protected from impact from boats or watercraft? (If “Yes”, please describe how.)
12. If the facility has aboveground storage tanks, do they have secondary containment? (If “Yes”, please describe.)

State: Connecticut **Filing Company:** ACE American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability
Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Filing at a Glance

Company: ACE American Insurance Company
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability
State: Connecticut
TOI: 17.2 Other Liability-Claims Made Only
Sub-TOI: 17.2011 Environmental Pollution Liability
Filing Type: Form
Date Submitted: 03/04/2011
SERFF Tr Num: ACEH-127056774
SERFF Status: Closed-Recorded Effective as Amended
State Tr Num: 201180044
State Status: Recorded Effective as Amended
Co Tr Num: 11-GL-2009337F

Effective Date: On Approval
Requested (New):
Effective Date: On Approval
Requested (Renewal):
Author(s): Bob Wolfrom, Mary Sindaco, Amy Katzen
Reviewer(s): Peter Galasyn (primary)
Disposition Date: 01/13/2016
Disposition Status: Recorded Effective as Amended
Effective Date (New): 06/17/2011
Effective Date (Renewal): 06/17/2011

State: Connecticut **Filing Company:** ACE American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability
Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

General Information

Project Name: Tank Safe Storage Tank Liability Insurance Policy
 Project Number: 11-GL-2009337
 Reference Organization:
 Reference Title:
 Filing Status Changed: 01/13/2016
 State Status Changed: 01/13/2016
 Created By: Mary Sindaco
 Corresponding Filing Tracking Number: ACEH-127056775(Rule)

Status of Filing in Domicile: Pending
 Domicile Status Comments:
 Reference Number:
 Advisory Org. Circular:
 Deemer Date:
 Submitted By: Mary Sindaco

Filing Description:
 Filing Description:

ACE Environmental Risk business unit within the ACE Group is pursuing this filing on behalf of an initiative within the company to provide Storage Tank Liability coverage for both Underground (UST) and Aboveground (AST) Storage Tanks on an admitted basis to its general clientele. We currently underwrite primary pollution liability policies utilizing a non-admitted company. The reason for this filing arises out of our need to appropriately offer an admitted lines expanded pollution coverage grant for our clients.

This policy will provide coverage for third-party bodily injury and property damage resulting from pollution conditions emanating from scheduled tanks and corrective action due to releases from scheduled tanks. This filing includes the following: the policy form, the declarations page and the endorsements necessary to execute the appropriate policy language.

•Policy form to be utilized:

oPF-31181 (10/10) TankSafe – Storage Tank Liability Insurance Policy (2010)
 oPF-31179 (10/10) TankSafe – Storage Tank Liability Insurance Policy Declarations ACE American Insurance Company (2010)

•Submitted endorsements (with corresponding descriptions) for admitted lines approval can be found on the Forms List.

•Standard ACE Filed Endorsements to Apply To This Program

oALL21101 Trade of Economic Sanctions Endorsement
 oCc1K11g Signatures Admitted
 oIL P 001 01 04 OFAC Advisory Notice to Policyholders
 oTRIA 11b Disclosure Pursuant to Terrorism Risk Insurance Act
 oTRIA 15c Policyholder Disclosure Notice of Terrorism Insurance Coverage
 oXS3U96f Service of Suit Endorsement

•Eligibility:

Clients that meet the Underwriting Guidelines of the company will be eligible for this filed rate and form, depending on individual risk characteristics.

State: Connecticut **Filing Company:** ACE American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability
Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Company and Contact

Filing Contact Information

Amy Katzen, Compliance Analyst amy.katzen@acegroup.com
ACE Group 302-476-6600 [Phone]
1 Beaver Valley Road
Wilmington, DE 19803

Filing Company Information

ACE American Insurance Company	CoCode: 22667	State of Domicile:
PO Box 1000	Group Code: 626	Pennsylvania
436 Walnut Street	Group Name:	Company Type:
Philadelphia, PA 19106	FEIN Number: 95-2371728	State ID Number:
(215) 640-5123 ext. [Phone]		

Filing Fees

Fee Required? No
Retaliatory? No
Fee Explanation:

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Recorded Effective as Amended	Peter Galasyn	01/13/2016	01/13/2016

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending industry response	Peter Galasyn	01/13/2016	01/13/2016

Response Letters

Responded By	Created On	Date Submitted
Jonathan Little	01/13/2016	01/13/2016

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Implementing under File & Use	Note To Reviewer	Amy Katzen	06/17/2011	06/17/2011

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Disposition

Disposition Date: 01/13/2016
Effective Date (New): 06/17/2011
Effective Date (Renewal): 06/17/2011
Status: Recorded Effective as Amended

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document (revised)	Checklist - Professional Liability (Claims Made)		Yes
Supporting Document	Checklist - Professional Liability (Claims Made)		Yes
Supporting Document	Forms List		Yes
Supporting Document	Side-by-Side Comparison		Yes
Form	ACE Tanksafe® Storage Tank Liability Insurance Policy		Yes
Form	ACE Tanksafe® Storage Tank Liability Insurance Policy - Declarations		Yes
Form	ACE Tanksafe® Storage Tank Liability Insurance Policy - Application		Yes
Form	SCHEDULE OF ADDITIONAL INSURED(S) (BROAD)		Yes
Form	SCHEDULE OF ADDITIONAL INSURED(S)		Yes
Form	AST AGGREGATE SUBLIMIT OF LIABILITY		Yes
Form	AST TANK SPECIFIC AGGREGATE SUBLIMIT OF LIABILITY		Yes
Form	AST TANK SPECIFIC SUBLIMITS OF LIABILITY		Yes
Form	AST TANK SPECIFIC SUBLIMITS OF LIABILITY		Yes
Form	BASIC EXTENDED REPORTING PERIOD AMENDATORY		Yes
Form	CANCELLATION		Yes
Form	CFR AMENDATORY		Yes
Form	SCHEDULE OF COVERED STORAGE TANKS (ADDITIONAL PREMIUM)		Yes
Form	SCHEDULE OF COVERED STORAGE TANKS		Yes
Form	DECLARATIONS AMENDATORY (DEDUCTIBLE)		Yes

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Schedule	Schedule Item	Schedule Item Status	Public Access
Form	DECLARATIONS AMENDATORY (FIRST NAMED INSURED)		Yes
Form	DECLARATIONS AMENDATORY (LIMITS OF LIABILITY)		Yes
Form	DECLARATIONS AMENDATORY (POLICY PERIOD)		Yes
Form	DECLARATIONS AMENDATORY (RETROACTIVE DATE)		Yes
Form	EXTENDED REPORTING PERIOD CONFIRMATION (LOCATION SPECIFIC)		Yes
Form	EXTENDED REPORTING PERIOD CONFIRMATION		Yes
Form	FINANCIAL RESPONSIBILITY CONDITIONS		Yes
Form	FINES AND PENALTIES (PUNITIVE DAMAGES ALLOWABLE BY LAW)		Yes
Form	LOADING AND UNLOADING COVERAGE (TIME ELEMENT)		Yes
Form	SCHEDULE OF NAMED INSUREDS (BROAD)		Yes
Form	SCHEDULE OF NAMED INSUREDS		Yes
Form	SCHEDULE OF REMOVED STORAGE TANKS		Yes
Form	TANK CONTENTS AMENDATORY (BROADENING)		Yes
Form	UST AGGREGATE SUBLIMIT OF LIABILITY		Yes
Form	UST SPECIFIC AGGREGATE SUBLIMIT OF LIABILITY		Yes
Form	UST SPECIFIC SUBLIMITS OF LIABILITY (SEPARATED)		Yes
Form	UST SPECIFIC SUBLIMITS OF LIABILITY		Yes
Form	TERRORISM RISK INSURANCE ACT ENDORSEMENT		Yes
Form	CONNECTICUT AMENDATORY ENDORSEMENT		Yes

State: Connecticut **Filing Company:** ACE American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability
Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Objection Letter

Objection Letter Status	Pending industry response
Objection Letter Date	01/13/2016
Submitted Date	01/13/2016
Respond By Date	01/27/2016

Dear Amy Katzen,

Introduction:

Upon our initial, cursory review of your filing, we have the following issues and concerns.

1. The Department notes that the Claims-Made Checklist (Ed. 12/2007), which is attached under the Supporting Documentation tab, was not accurately completed. Since the time this filing was submitted by the company, there have been several revisions made to the claims-made checklist. Therefore, please attach a fully-completed Claims-Made Checklist (Ed. 10/2013) under the Supporting Documentation tab so that I may continue with my review of your filing. It appears that the majority of the references under the "Form/Page/Para Reference" column for the questions asked in Section I. EXTENDED REPORTING PERIOD "ERP" REQUIREMENTS and Section II. OTHER PROVISIONS should be to Form PF-31832 which is the Connecticut Amendatory Endorsement submitted with this filing. The completion of this updated checklist will help to expedite the review of this filing.

Thank you for your attention to this matter. I apologize for the lengthy delay in getting to the initial review of this filing. Please feel free to contact me if you have any questions.

Conclusion:

Please respond by the date shown above or the filing will be closed and considered voluntarily withdrawn.

Sincerely,

Peter Galasyn

State: Connecticut **Filing Company:** ACE American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability
Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

***Attachment Claims Made Checklist 10 2013.pdf could not be reproduced here
for the following reason: PDF header signature not found.***

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	01/13/2016
Submitted Date	01/13/2016

Dear Peter Galasyn,

Introduction:

Response 1

Comments:

A completed copy of the current claims-made checklist is attached. Please let me know if you have any questions.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Checklist - Professional Liability (Claims Made)
Comments:	
Attachment(s):	CT Claims Made Checklist 10 2013.pdf
Previous Version	
Satisfied - Item:	Checklist - Professional Liability (Claims Made)
Comments:	
Attachment(s):	CT Claims Made Compliance Questionnaire - AER TankSafe 2-11.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Jonathan Little

State: Connecticut **Filing Company:** ACE American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Polution Liability
Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Note To Reviewer

Created By:

Amy Katzen on 06/17/2011 01:08 PM

Last Edited By:

Amy Katzen

Submitted On:

06/17/2011 01:08 PM

Subject:

Implementing under File & Use

Comments:

As per Bulletin PC-62 we are implementing this filing effective 6/17/2011.

State: Connecticut

Filing Company:

ACE American Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability

Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability

Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		ACE Tanksafe® Storage Tank Liability Insurance Policy	PF-31181	10/10	PCF	New		0.000	TankSafe Policy (US)_PF31181 10 2010 Final.pdf
2		ACE Tanksafe® Storage Tank Liability Insurance Policy - Declarations	PF-31179	10/10	DEC	New		0.000	TankSafe Policy (AAIC - US) (Declarations)_PF31179 10.2010.pdf
3		ACE Tanksafe® Storage Tank Liability Insurance Policy - Application	PF-31408	10/10	ABE	New		0.000	TankSafe Policy (US) (Application) 10 2010_PF31408.pdf
4		SCHEDULE OF ADDITIONAL INSURED(S) (BROAD)	PF-31154	09/10	END	New		0.000	Additional Insureds Schedule (Broad)_PF31154.pdf
5		SCHEDULE OF ADDITIONAL INSURED(S)	PF-31155	09/10	END	New		0.000	Additional Insureds Schedule_PF31155.pdf
6		AST AGGREGATE SUBLIMIT OF LIABILITY	PF-31156	09/10	END	New		0.000	AST Aggregate Sublimit of Liability_PF31156.pdf
7		AST TANK SPECIFIC AGGREGATE SUBLIMIT OF LIABILITY	PF-31157	09/10	END	New		0.000	AST-Specific Aggregate Sublimit of Liability_PF31157.pdf
8		AST TANK SPECIFIC SUBLIMITS OF LIABILITY	PF-31158	09/10	END	New		0.000	AST-Specific Sublimits of Liability (Separated)_PF31158.pdf

SERFF Tracking #:

ACEH-127056774

State Tracking #:

201180044

Company Tracking #:

11-GL-2009337F

State: Connecticut

Filing Company:

ACE American Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability

Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability

Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
9		AST TANK SPECIFIC SUBLIMITS OF LIABILITY	PF-31159	09/10	END	New		0.000	AST-Specific Sublimits of Liability_PF31159.pdf
10		BASIC EXTENDED REPORTING PERIOD AMENDATORY	PF-31160	09/10	END	New		0.000	Basic Extended Reporting Period Amendatory (60 Days)_PF31160.pdf
11		CANCELLATION	PF-31161	09/10	END	New		0.000	Cancellation_PF31161.pdf
12		CFR AMENDATORY	PF-31162	09/10	END	New		0.000	CFR Amendatory Endorsement_PF31162.pdf
13		SCHEDULE OF COVERED STORAGE TANKS (ADDITIONAL PREMIUM)	PF-31163	09/10	END	New		0.000	Covered Storage Tanks Schedule (AP)_PF31163.pdf
14		SCHEDULE OF COVERED STORAGE TANKS	PF-31164	09/10	END	New		0.000	Covered Storage Tanks Schedule_PF31164.pdf
15		DECLARATIONS AMENDATORY (DEDUCTIBLE)	PF-31165	09/10	END	New		0.000	Declarations Amendatory (Deductible)_PF31165.pdf
16		DECLARATIONS AMENDATORY (FIRST NAMED INSURED)	PF-31166	09/10	END	New		0.000	Declarations Amendatory (First Named Insured)_PF31166.pdf
17		DECLARATIONS AMENDATORY (LIMITS OF LIABILITY)	PF-31167	09/10	END	New		0.000	Declarations Amendatory (Limits of Liability)_PF31167.pdf

SERFF Tracking #:

ACEH-127056774

State Tracking #:

201180044

Company Tracking #:

11-GL-2009337F

State: Connecticut

Filing Company:

ACE American Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability

Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability

Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
18		DECLARATIONS AMENDATORY (POLICY PERIOD)	PF-31168	09/10	END	New		0.000	Declarations Amendatory (Policy Period)_PF31168.pdf
19		DECLARATIONS AMENDATORY (RETROACTIVE DATE)	PF-31169	09/10	END	New		0.000	Declarations Amendatory (Retroactive Date)_PF31169.pdf
20		EXTENDED REPORTING PERIOD CONFIRMATION (LOCATION SPECIFIC)	PF-31170	09/10	END	New		0.000	Extended Reporting Period Confirmation (Location-Specific)_PF31170.pdf
21		EXTENDED REPORTING PERIOD CONFIRMATION	PF-31171	09/10	END	New		0.000	Extended Reporting Period Confirmation_PF31171.pdf
22		FINANCIAL RESPONSIBILITY CONDITIONS	PF-31172	09/10	END	New		0.000	Financial Responsibility Condition Endorsement_PF31172.pdf
23		FINES AND PENALTIES (PUNITIVE DAMAGES ALLOWABLE BY LAW)	PF-31173	09/10	END	New		0.000	Fines and Penalties Amendatory (Punis By Law)_PF31173.pdf
24		LOADING AND UNLOADING COVERAGE (TIME ELEMENT)	PF-31174	09/10	END	New		0.000	Loading and Unloading Coverage (Time Element Reporting)_PF31174.pdf

SERFF Tracking #:

ACEH-127056774

State Tracking #:

201180044

Company Tracking #:

11-GL-2009337F

State: Connecticut

Filing Company:

ACE American Insurance Company

TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability

Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability

Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
25		SCHEDULE OF NAMED INSUREDS (BROAD)	PF-31175	09/10	END	New		0.000	Named Insured Schedule (Broad_Majority-Owned Chain)_PF31175.pdf
26		SCHEDULE OF NAMED INSUREDS	PF-31176	09/10	END	New		0.000	Named Insureds Schedule_PF31176.pdf
27		SCHEDULE OF REMOVED STORAGE TANKS	PF-31177	09/10	END	New		0.000	Removed Storage Tank Schedule_PF31177.pdf
28		TANK CONTENTS AMENDATORY (BROADENING)	PF-31178	09/10	END	New		0.000	Tank Contents Amendatory (Broadening)_PF 31178.pdf
29		UST AGGREGATE SUBLIMIT OF LIABILITY	PF-31182	09/10	END	New		0.000	UST Aggregate Sublimit of Liability_PF31182.pdf
30		UST SPECIFIC AGGREGATE SUBLIMIT OF LIABILITY	PF-31183	09/10	END	New		0.000	UST-Specific Aggregate Sublimit of Liability_PF31183.pdf
31		UST SPECIFIC SUBLIMITS OF LIABILITY (SEPARATED)	PF-31184	09/10	END	New		0.000	UST-Specific Sublimits of Liability (Separated)_PF31184.pdf
32		UST SPECIFIC SUBLIMITS OF LIABILITY	PF-31185	09/10	END	New		0.000	UST-Specific Sublimits of Liability_PF31185.pdf

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
33		TERRORISM RISK INSURANCE ACT ENDORSEMENT	PF-23728	01/08	DSC	New		0.000	TERRORISM RISK INSURANCE ACT ENDORSEMENT PF23728 -.pdf
34		CONNECTICUT AMENDATORY ENDORSEMENT	PF-31832	09/10	END	New			CT Amendatory (TankSafe)_PF31832.pdf

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate
CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Supporting Document Schedules

Satisfied - Item:	Checklist - Professional Liability (Claims Made)
Comments:	
Attachment(s):	CT Claims Made Checklist 10 2013.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Forms List
Comments:	
Attachment(s):	CT Tanksafe Forms List.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Side-by-Side Comparison
Bypass Reason:	This is a new product; no revisions.
Attachment(s):	
Item Status:	
Status Date:	

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
02/28/2011		Supporting Document	Checklist - Professional Liability (Claims Made)	01/13/2016	CT Claims Made Compliance Questionnaire - AER TankSafe 2-11.pdf (Superceded)

CONNECTICUT INSURANCE DEPARTMENT
CLAIMS MADE
FORMS FILING CHECKLIST

Reset Form

COMPANY	Co. File No.
TYPE OF INSURANCE	PAGE 1 OF 2

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with applicable Connecticut General Statutes, regulations or rules. Complete the Form, Page and Paragraph numbers to indicate where compliance can be found in the document/s. If not applicable, enter N/A in this column and explain why in the blank space at the end of the checklist. Failure to complete the checklist may result in the rejection of the filing pursuant to Connecticut Bulletin PC-62.

APPLICABLE REGULATIONS CAN BE FOUND IN CONNECTICUT AGENCIES REGULATIONS SECTION 38A-327-1 ET. SEQ.

I. EXTENDED REPORTING PERIOD "ERP" REQUIREMENTS				Form/Page/Para Reference
a. Automatic ERP coverage of 30 days or more is available	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
b. Additional ERP coverage is made available for purchase by the named insured	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
c. Reinstatement of the Limits of Liability for ERP is available	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
d. Required ERP coverages are available upon termination, cancellation, reductions in coverage, or limits or increases in deductibles or self-insured retentions	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
e. The named insured is provided not less than thirty days after termination to accept the additional ERP	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
f. The premium for the additional ERP is based on rates in effect on the later of the date the policy was issued or last renewed	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
II. OTHER PROVISIONS				
a. The first page of the policy and any certificate contain a conspicuous notice stating that the policy is written on a claims-made basis	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
b. Once a retroactive date is established with an insured, the policy provides that it may be advanced only with the written consent of the named insured	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
c. A provision for the purchase of prior acts coverage is available at issuance	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
d. The policy covers a claim first made against the insured during the policy period or any extended reporting period	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
e. A professional liability policy provides for a contractual right of the insured to purchase at any time during the policy period and not less than thirty days after termination of an unlimited additional ERP	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____

CONNECTICUT INSURANCE DEPARTMENT

CLAIMS MADE

FORMS FILING CHECKLIST

COMPANY

TYPE OF INSURANCE

PAGE 2 OF 2

II. OTHER PROVISIONS (con't)

Form/Page/Para
Reference

- f. The company has included a Connecticut Amendatory Endorsement for cancellation, nonrenewal and claims made requirements with this filing YES ☐ NO ☐ Form _____
Page _____
Para _____
- g. A minimum of 90 days notice of cancellation and nonrenewal is provided for professional liability policies YES ☐ NO ☐ Form _____
Page _____
Para _____

III. MEDICAL MALPRACTICE POLICY - ADDITIONAL REQUIREMENTS

- a. Unlimited Additional ERP is available at no additional charge upon: YES ☐ NO ☐ Form _____
Page _____
Para _____
1. Death YES ☐ NO ☐ Form _____
Page _____
Para _____
2. Permanent Disability YES ☐ NO ☐ Form _____
Page _____
Para _____
3. Retirement at age 65 with 5 consecutive years of coverage with the same insurer YES ☐ NO ☐ Form _____
Page _____
Para _____
4. Retirement at age 62 with 10 consecutive years of coverage with the same insurer. YES ☐ NO ☐ Form _____
Page _____
Para _____
- b. The policy provides liability coverage for each person licensed to practice medicine and surgery (incl. locum Tenens, Chiropractors, Naturopaths, Podiatrists, Dental Hygienists, Optometrists, Dentists and Physical Therapists) with limits not less than \$500,000/\$1,500,000 **and** the limits are not shared limits YES ☐ NO ☐ Form _____
Page _____
Para _____

SERFF or State Tracking # for any/all related filings: _____

"Please explain any NO or N/A responses below in detail:

SCHEDULE OF ADDITIONAL INSURED(S) (Broad) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

The persons or organizations identified in the Schedule of Additional Insureds, below, shall be considered “additional insureds” pursuant to this Policy, but only with respect to their vicarious liability for the direct liability of a “named insured” arising out of a “storage tank incident” to which this Policy applies.

Schedule of Additional Insureds

1. All corporations, limited partnerships, limited liability partnerships, limited liability companies or other business entities or associations, other than joint ventures and general partnerships, as now or may hereinafter exist during the “policy period”, in which a “named insured” maintains an ownership interest; and
2. All joint ventures or general partnerships, as now or may hereafter exist during the “policy period”, to which a “named insured” is a party, as now or may hereinafter exist during the “policy period”, but only to the extent of the “named insured’s” legal responsibility for the vicarious liability of such joint venture or general partnership.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SCHEDULE OF ADDITIONAL INSURED'S ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

The persons or organizations identified in the Schedule of Additional Insureds, below, shall be considered "additional insureds" pursuant to this Policy, but only with respect to their vicarious liability for the direct liability of a "named insured" arising out of a "storage tank incident" to which this Policy applies.

Schedule of Additional Insureds

- 1.
- 2.
- 3.
- 4.

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

ABOVEGROUND STORAGE TANKS AGGREGATE SUBLIMIT OF LIABILITY ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Aboveground Storage Tank Aggregate Sublimit of Liability: \$

The Aboveground Storage Tank Aggregate Sublimit of Liability shall be the maximum amount the Insurer shall pay for all “claims” and “remediation costs” arising out of “storage tank incidents” involving “aboveground storage tanks” to which this Policy applies. The Aboveground Storage Tank Aggregate Sublimit of Liability shall be subject to the Limits of Liability identified in Items **4.a**, **4.b**, and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

ABOVEGROUND STORAGE TANK-SPECIFIC AGGREGATE SUBLIMIT OF LIABILITY ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Solely with respect to the “covered aboveground storage tanks” identified in the Schedule of Sublimited Storage Tanks, below, the following Aboveground Storage Tank Aggregate Sublimit of Liability shall apply:

Aboveground Storage Tank Aggregate Sublimit of Liability: \$

This Aboveground Storage Tank Aggregate Sublimit of Liability shall be the maximum amount the Insurer shall pay for all “claims” and “remediation costs” arising out of “storage tank incidents” involving “covered aboveground storage tanks” identified on the Schedule of Sublimited Storage Tanks, below. This Aboveground Storage Tank Aggregate Sublimit of Liability shall be subject to the Limits of Liability identified in Items **4.a**, **4.b**, and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.

Schedule of Sublimited Storage Tanks

Insured's Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type	Retroactive Date
			AST	
			AST	
			AST	
			AST	
			AST	

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

ABOVEGROUND STORAGE TANK-SPECIFIC SUBLIMITS OF LIABILITY ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

- I. Solely with respect to the “covered aboveground storage tanks” identified in the Schedule of Sublimited Storage Tanks, below, the following Aboveground Storage Tank-Specific Sublimits of Liability shall apply:

Aboveground Storage Tank-Specific Per Storage Tank Incident (Remediation Costs) Sublimit of Liability: \$

Aboveground Storage Tank-Specific Per Storage Tank Incident (Claims) Sublimit of Liability: \$

Aboveground Storage Tank-Specific Aggregate Sublimit of Liability: \$

- II. The Aboveground Storage Tank-Specific Per Storage Tank Incident (Remediation Costs) Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “remediation costs” arising out of the same, continuous, repeated, or related “storage tank incident”. The Aboveground Storage Tank-Specific Per Storage Tank Incident (Remediation Costs) Sublimit of Liability, above, shall be subject to: **1)** the Aboveground Storage Tank-Specific Aggregate Sublimit of Liability, above; and **2)** the Limits of Liability identified in Items **4.a, 4.b.** and **4.d.** of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.
- III. The Aboveground Storage Tank-Specific Per Storage Tank Incident (Claims) Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “claims” arising out of the same, continuous, repeated, or related “storage tank incident”. The Aboveground Storage Tank-Specific Per Storage Tank Incident (CLaims) Sublimit of Liability, above, shall be subject to: **1)** the Aboveground Storage Tank-Specific Aggregate Sublimit of Liability, above; and **2)** the Limits of Liability identified in Items **4.a, 4.b.** and **4.d.** of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.
- IV. The Aboveground Storage Tank-Specific Aggregate Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “claims” and “remediation costs” arising out of “storage tank incidents” involving “covered aboveground storage tanks” identified on the Schedule of Sublimited Storage Tanks, below. The Aboveground Storage Tank-Specific Aggregate Sublimit of Liability, above, shall be subject to the Limits of Liability identified in Items **4.a, 4.b.** and **4.d.** of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.

Schedule of Sublimited Storage Tanks

Insured's Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type	Retroactive Date
			AST	
			AST	
			AST	
			AST	
			AST	

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

ABOVEGROUND STORAGE TANK-SPECIFIC SUBLIMITS OF LIABILITY ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

- I. Solely with respect to the “covered aboveground storage tanks” identified in the Schedule of Sublimited Storage Tanks, below, the following Aboveground Storage Tank-Specific Sublimits of Liability shall apply:

Aboveground Storage Tank-Specific Per Storage Tank Incident Sublimit of Liability: \$

Aboveground Storage Tank-Specific Aggregate Sublimit of Liability: \$

- II. The Aboveground Storage Tank-Specific Per Storage Tank Incident Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “claims” and “remediation costs” arising out of the same, continuous, repeated, or related “storage tank incident”. The Aboveground Storage Tank-Specific Per Storage Tank Incident Sublimit of Liability, above, shall be subject to: **1)** the Aboveground Storage Tank-Specific Aggregate Sublimit of Liability, above; and **2)** the Limits of Liability identified in Items **4.a**, **4.b**, and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.
- III. The Aboveground Storage Tank-Specific Aggregate Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “claims” and “remediation costs” arising out of “storage tank incidents” involving “covered aboveground storage tanks” identified on the Schedule of Sublimited Storage Tanks, below. The Aboveground Storage Tank-Specific Aggregate Sublimit of Liability, above, shall be subject to the Limits of Liability identified in Items **4.a**, **4.b**, and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.

Schedule of Sublimited Storage Tanks

Insured’s Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type	Retroactive Date
			AST	
			AST	
			AST	
			AST	

			AST	
--	--	--	-----	--

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

BASIC EXTENDED REPORTING PERIOD AMENDATORY (60 Days) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Section **VIII.**, **EXTENDED REPORTING PERIOD**, Subsections **C.** and **D.**, of this Policy are hereby deleted in their entirety and replaced with the following:

- C.** Provided the “first named insured” has not purchased any other insurance to replace this Policy, the “named insured” shall have a sixty (60) day basic “extended reporting period” without additional charge.
- D.** Provided the “first named insured” has not purchased any other insurance to replace this Policy, the “named insured” shall also be entitled to purchase a supplemental “extended reporting period” of up to thirty-four (34) months for not more than two hundred percent (200%) of the full Premium identified in Item **6.** of the Declarations to this Policy. Such supplemental “extended reporting period” starts when the basic “extended reporting period” ends. The Insurer shall issue an endorsement providing a supplemental “extended reporting period” provided that the “first named insured”:
 - 1.** Makes a written request, to the address identified in Item **7.b.** of the Declarations to this Policy, for such endorsement which the Insurer receives prior to the expiration of the “policy period”; and
 - 2.** Pays the additional Premium when due. If that additional Premium is paid when due, the supplemental “extended reporting period” may not be cancelled by the Insurer, provided that all other terms and conditions of the Policy are met.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

CANCELLATION ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Insurer and the "insured" hereby agree to the following changes to this Policy:

In consideration of the return of unearned premium indicated below, this Policy is cancelled effective
.

Return of Unearned Premium: \$

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

CFR AMENDATORY ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Facility Name:

Facility Address:

Policy Number: UST

Period of Coverage:

Name of Insurer:

Address of Insurer: (c/o ACE Environmental Risk, 436 Walnut Street, Philadelphia, PA 19106)

1. This endorsement certifies that the Policy to which the endorsement is attached provides liability insurance covering the following underground storage tanks:

Facility Name and Address

Number of Tanks

- 1.
- 2.
- 3.
- 4.

for taking corrective action and/or compensating third parties for bodily injury and property damage caused by either sudden accidental releases or non-sudden accidental releases, or accidental releases in accordance with, and subject to the limits of liability, exclusions, conditions, and other terms of, the Policy, arising from operating the underground storage tanks identified above.

The Limits of Liability are:

- | | |
|-------|------------------|
| a. \$ | Per Occurrence |
| b. \$ | Annual Aggregate |

exclusive of legal defense costs, which are subject to a separate limit under the policy. This coverage is provided under policy number **UST**. The effective date of said policy is .

2. The insurance afforded with respect to such occurrences is subject to all of the terms and conditions of the policy; provided, however, that any provision inconsistent with subsections **a.** through **e.** of this Paragraph **2.** are hereby amended to conform with subsection **a.** through **e.**
 - a. Bankruptcy or insolvency of the insured shall not relieve the Insurer of its obligations under the Policy to which this endorsement is attached.
 - b. The Insurer is liable for the payment of amounts within any deductible applicable to the Policy to the provider of corrective action or a damaged third party, with a right of reimbursement by the insured for

any such payment made by the Insurer. This provision does not apply with respect to that amount of any deductible for which coverage is demonstrated under another mechanism or combination of mechanisms as specified in 40 CFR 280.95-280.102.

- c. Whenever requested by a Director of an implementing agency, the Insurer agrees to furnish to the Director a signed duplicate original of the Policy and all endorsements.
- d. Cancellation or any other termination of the insurance by the Insurer, except for non-payment of premium or misrepresentation by the "insured", will be effective only upon written notice and only after the expiration of sixty (60) days after a copy of such written notice is received by the insured. Cancellation for non-payment of premium or misrepresentation by the insured will be effective only upon written notice and only after expiration of a minimum of ten (10) days after a copy of such written notice is received by the insured.
- e. The insurance covers claims otherwise covered by the Policy that are reported to the Insurer within six months of the effective date of cancellation or non-renewal of the Policy, except where the new or renewed Policy has the same Retroactive Date or a Retroactive Date earlier than that of the prior policy, and which arise out of any covered occurrence that commenced after the Policy Retroactive Date, if applicable, and prior to such renewal or termination date. Claims reported during such extended reporting period are subject to the terms, conditions, limits, including limits of liability, and exclusions of the Policy.

I hereby certify that the wording of this instrument is identical to the wording in 40 CFR 280.97 (b)(1) and that the Insurer is eligible to provide insurance as an excess or surplus lines insurer in one or more states.

All other terms and conditions of this Policy remain unchanged.

SCHEDULE OF COVERED STORAGE TANKS (Additional Premium) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Premium increase/(reduction): \$

In consideration of the premium adjustment identified above, the "insured" and the Insurer agree that the storage tanks identified in the Schedule of Covered Storage Tanks, below, have been added to this Policy as "covered underground storage tanks" or "covered aboveground storage tanks", as applicable.

Schedule of Covered Storage Tanks

Insured's Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type (UST or AST)	Retro Date

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SCHEDULE OF COVERED STORAGE TANKS ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer agree that the storage tanks identified in the Schedule of Covered Storage Tanks, below, have been added to this Policy as “covered underground storage tanks” or “covered aboveground storage tanks”, as applicable.

Schedule of Covered Storage Tanks

Insured's Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type (UST or AST)	Retroactive Date

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

CONNECTICUT AMENDATORY ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies all insurance provided under the following:

TankSafeSM Storage Tank Liability Insurance Policy

The "insured" and the Insurer hereby agree to the following changes to this Policy:

I. Section V., DEFINITIONS, of this Policy is hereby amended by addition of the following:

"Termination of Coverage" means, whether made by the Insurer, or by the "first named insured, at any time:

1. Cancellation or nonrenewal of this Policy;
2. A decrease in the Limits of Liability available pursuant to this Policy;
3. An increase deductible of deductible identified in this Policy; or
4. An addition of any new exclusion applicable to the coverage provided pursuant to this Policy, or any other change in coverage provided pursuant to this Policy less favorable to the "first named insured".

II. Section VIII., EXTENDED REPORTING PERIOD, of this Policy is deleted in its entirety and replaced with the following:

VIII.EXTENDED REPORTING PERIOD

- A.** Any "named insured" shall be entitled to a basic "extended reporting period" of one hundred and eighty (180) calendar days following a "termination of coverage" without any additional premium charge, and may purchase an optional, supplemental "extended reporting period".
- B.** "Extended reporting periods" shall not increase any of the Limits of Liability of this Policy. However, in the event that the Aggregate Limit of Liability identified in Item **2.b.** of the Declarations to this Policy has been reduced during the "policy period", such Aggregate Limit of Liability shall be reinstated to an amount equal to one hundred percent (100%) of the original Aggregate Limit of Liability for the duration of any supplemental "extended reporting period". "Extended reporting periods" shall not extend the "policy period" or change the scope of coverage provided. A "claim" first made against an "insured" and reported to the Insurer within the basic "extended reporting period" or supplemental "extended reporting period", whichever is applicable, shall be deemed to have been made on the last day of the "policy period".
- C.** The Insurer shall advise the "first named insured", and to the extent that address information for any other "named insureds" was provided to the Insurer at the time of underwriting this Policy, such other "named insureds", in writing, of the basic "extended reporting period" coverage and the availability of, the premium for, and the importance of purchasing supplemental "extended reporting period" coverage. This notice will be sent no earlier than the date of notification of termination of this Policy nor later than fifteen (15) days after termination of this Policy.

Any "named insured" shall be entitled to purchase a supplemental "extended reporting period" of up to thirty (30) months for not more than one-hundred and sixty five percent (165%) of the Premium identified in the Declarations to this Policy. The supplemental "extended reporting

Authorized Representative

period” starts when the basic “extended reporting period” ends. The Insurer shall issue an endorsement confirming the supplemental “extended reporting period”, provided that the “named insured”:

1. Makes a written request to the address identified in Item **7.b.** of the Declarations to this Policy seeking such endorsement, which the Insurer receives within the greater of : **a)** thirty days (30) days of any “termination of coverage”; or **b)** fifteen (15) days from the date of mailing or delivery of the notice identifying the availability and importance of the of the supplemental “extended reporting period” coverage, as discussed above; and
2. Pays the additional premium when due.

Where Premium is due to the Insurer for this Policy, any monies received by us from the “named insured” as payment for the supplemental “extended reporting period” coverage shall first be applied to such premium due for this Policy. The supplemental “extended reporting period” coverage will not go into effect until the Premium due for this Policy is paid in full and unless the “insured” pays the additional Premium promptly when due.

- D.** In the event that the “named insured” has purchased any other insurance to replace the coverage provided pursuant to this Policy, the coverage afforded under this Policy for “claims” first made and reported during any “extended reporting period” shall be excess over any other valid and collectible replacement insurance.

III. Section IX., GENERAL CONDITIONS, Subsection A., Cancellation, of this Policy is deleted in its entirety and replaced with the following:

A. Cancellation

1. This Policy may be cancelled only by the “first named insured”, or through the “first named insured’s” agent, by mailing to the Insurer at the address listed in Item **7.b.** of the Declarations, written notice stating when such cancellation shall be effective.
2. This Policy may be cancelled by the Insurer for the following reasons:
 - a.** Non-payment of premium;
 - b.** Fraud or material misrepresentation on the part of any “insured”; or
 - c.** Change in use or operation of a “covered underground storage tank” or “covered aboveground storage tank” from the use contemplated in the Application and supporting materials that materially increases the likelihood of “claims” or “storage tank incidents”,

by mailing to the “first named insured”, and to the extent that address information for any other “named insureds” was provided to the Insurer at the time of underwriting this Policy, such other “named insureds”, at the “named insured’s” last known address, written notice stating when, not less than sixty (60) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the premium, such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall be the end of the “policy period”.

For the purposes of Subparagraph **2.a.**, above, non-payment of the deductible under this Policy does not constitute non-payment of Premium.

Subparagraph **2.b.**, herein, shall apply only to that “insured” that engages in the fraud or misrepresentation, or any other “insured” who is a parent corporation, subsidiary, employer of, or otherwise affiliated by ownership with, such “insured”.

IV. Section IX., GENERAL CONDITIONS, Subsection I., Jurisdiction and Venue, and Subsection J., Choice of Law, of this Policy are deleted in their entirety.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

DECLARATIONS AMENDATORY (Deductible) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Premium increase/(reduction): \$

In consideration of the premium adjustment identified above, the "insured" and the Insurer agree that Item 5. of the Declarations to this Policy is deleted in its entirety and replaced with the following:

Item 5. Deductible: \$ Per Storage Tank Incident

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

DECLARATIONS AMENDATORY (First Named Insured) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Item 1. of the Declarations to this Policy is deleted in its entirety and replaced with the following:

Item 1. First Named Insured:

Principal Address:

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

DECLARATIONS AMENDATORY (Limits of Liability) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Premium increase/(reduction): \$

In consideration of the premium adjustment identified above, the "insured" and the Insurer agree that Item 4. of the Declarations to this Policy is deleted in its entirety and replaced with the following:

Item 4. Limits of Liability:

- a. \$** Per Storage Tank Incident Limit of Liability for Bodily Injury, Property Damage and Remediation Costs
- b. \$** Aggregate Limit of Limit of Liability for Bodily Injury, Property Damage and Remediation Costs for all Storage Tank Incidents
- c. \$** Aggregate Limit of Liability for all Legal Defense Expenses for all Storage Tank Incidents
- d. \$** Total Policy Aggregate Limit of Liability for all Storage Tank Incidents

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

DECLARATIONS AMENDATORY (Policy Period) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Premium increase/(reduction): \$

In consideration of the premium adjustment identified above, the "insured" and the Insurer agree that Item 2. of the Declarations to this Policy is deleted in its entirety and replaced with the following:

Item 2. Policy Period: From 12:01 A.M. on to 12:01 A.M. on
(Local time at the address shown in Item 1.)

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

DECLARATIONS AMENDATORY (Retroactive Date) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Premium increase/(reduction): \$

In consideration of the premium adjustment identified above, the "insured" and the Insurer agree that Item 3. of the Declarations to this Policy is deleted in its entirety and replaced with the following:

Item 3. Retroactive Date:

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

EXTENDED REPORTING PERIOD CONFIRMATION (Location-Specific) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Premium increase/(reduction): \$

In consideration of the premium adjustment identified above, the "insured" and the Insurer agree that, pursuant to Section **VIII., EXTENDED REPORTING PERIOD**, of this Policy, a supplemental "extending reporting period" is hereby provided for the specific locations and period identified below:

Location:

Extended Reporting Period: From 12:01 A.M. on to 12:01 A.M. on

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

EXTENDED REPORTING PERIOD CONFIRMATION ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Premium increase/(reduction): \$

In consideration of the premium adjustment identified above, the "insured" and the Insurer agree that, pursuant to Section **VIII., EXTENDED REPORTING PERIOD**, of this Policy, a supplemental "extending reporting period" is hereby provided for the period identified below:

Extended Reporting Period: From 12:01 A.M. on to 12:01 A.M. on

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

FINANCIAL RESPONSIBILITY CONDITION ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Section **IX., CONDITIONS**, of this Policy is hereby amended by addition of the following:

Financial Responsibility And Reimbursement

If this Policy is issued to certify an “insured’s” compliance with Federal or State financial responsibility requirements with respect to “covered aboveground storage tanks” or “covered underground storage tanks”, the Insurer shall comply with such financial responsibility requirements. Notwithstanding the foregoing, the “first named insured” agrees to reimburse the Insurer for any payment made by the Insurer on behalf of any “insured”, which the Insurer would not have otherwise been obligated to make under the terms and conditions of this Policy, but for: **1)** the agreement contained in the first sentence of this condition, above; **2)** the Insurer’s issuance of an amendatory endorsement to this Policy tracking specific, obligatory Federal or State statutory or regulatory language required for use of insurance as a storage tank financial responsibility mechanism; or **3)** the Insurer’s issuance of a Certificate evidencing this Policy satisfies the requirements of any Federal or State storage tank financial responsibility program.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

FINES AND PENALTIES AMENDATORY (Punitive Damages By Law) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Section **VI., EXCLUSIONS**, Subsection **C., Fines and Penalties**, of this Policy is deleted in its entirety and replaced with the following:

C. Fines and Penalties

Payment of fines, penalties, punitive, exemplary or multiplied damages, or any associated "claims" seeking exclusively injunctive relief in addition to such fines, penalties or damages.

This exclusion shall apply to any "legal defense expense" associated with such fines, penalties or damages.

This exclusion shall not apply to punitive damages where such coverage is insurable by law.

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

LOADING AND UNLOADING COVERAGE (Time Element Reporting) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THE COVERAGE AFFORDED PURSUANT TO THIS ENDORSEMENT IS LIMITED BY A DEFINED REPORTING PERIOD AND, THEREFORE, COVERS ONLY CLAIMS AND REMEDIATION COSTS THAT ARISE OUT OF LOADING AND UNLOADING RELATED POLLUTION CONDITIONS THAT ARE REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR THE DEFINED REPORTING PERIOD CONTAINED HEREIN. PLEASE READ THIS ENDORSEMENT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

I. Section V., DEFINITIONS, Subsection Q., of this Policy is hereby amended by addition of the following:

Q. "Pollution condition" also means the inadvertent spilling, leaking, discharging, escaping or releasing of the contents of any "covered underground storage tank" or "covered aboveground storage tank" into surface soils, subsurface soils, surface water, sediments or groundwater during the loading or unloading of such "covered underground storage tank" or "covered aboveground storage tank".

II. Notwithstanding anything contained in the general reporting obligations identified in Section VII. of this Policy which might be construed otherwise, it is a condition precedent to the coverage afforded pursuant to this Endorsement for loading and unloading-related "storage tank incident" that the "insured" provide written notice of such "storage tank incident" to the Insurer within seventy-two (72) hours of the event giving rise to such "storage tank incident".

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

SCHEDULE OF NAMED INSUREDS (Broad) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree that the entities identified in the Schedule of Named Insureds, below, shall be considered "named insureds" pursuant to this Policy.

Schedule of Named Insureds

1. All corporations, limited partnerships, limited liability partnerships, limited liability companies or other business entities or associations, other than joint ventures and general partnerships, as now or may hereafter exist during the "policy period", in which the "first named insured", itself, or through a direct chain of underlying majority-owned operating subsidiary corporations, limited partnerships, limited liability partnerships, or limited liability companies, maintains at least a fifty percent (50%) ownership interest (hereinafter Majority-Owned Affiliates); and
2. All joint ventures or general partnerships, as now or may hereafter exist during the "policy period", to which the "first named insured", itself, or one of its Majority-Owned Affiliates, is a party and maintains at least a fifty percent (50%) ownership interest, but only to the extent of the "first named insured's" or Majority-Owned Affiliates' legal responsibility for the liabilities of such joint venture or general partnership.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SCHEDULE OF NAMED INSUREDS ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree that the following persons, entities or organizations identified below shall be considered "named insureds" pursuant to this Policy:

SCHEDULE OF NAMED INSUREDS

- 1.
- 2.
- 3.
- 4.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

SCHEDULE OF REMOVED STORAGE TANKS ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

Premium increase/(reduction): \$

In consideration of the premium adjustment identified above, the storage tanks identified in the Schedule of Removed Storage Tanks, below, have been removed from this Policy and are no longer "covered underground storage tanks" or "covered aboveground storage tanks".

Schedule of Removed Storage Tanks

Insured Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type (UST or AST)	Retroactive Date	Removal Effective Date

Therefore, this Policy shall provide no coverage for "claims", "corrective action costs" or "legal defense expense" arising out of or related to the storage tanks identified above, following the applicable Removal Effective Date.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

TANK CONTENTS AMENDATORY (Broadening) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Section **V., DEFINITIONS**, Subsections **E.** and **F.**, of this Policy are hereby deleted in their entirety and replaced with following:

E. “Covered aboveground storage tank” means a stationary tank, and associated piping and appurtenances connected thereto, with less than ten percent (10%) of its volume below ground, but solely to the extent that such tank:

1. Is identified in the Schedule of Covered Aboveground Storage Tanks identified in Item **9.** of the Declarations to this Policy or any Schedule of Covered Storage Tanks added to this Policy by endorsement; and
2. Is used to store the following contents, only:
 - a. Petroleum Products; or
 - b. .

F. “Covered underground storage tank” means a petroleum product-containing tank and associated piping and appurtenances connected thereto, with more than ten percent (10%) of its volume below ground, but solely to the extent that such tank:

1. Is identified in the Schedule of Covered Underground Storage Tanks identified in Item **8.** of the Declarations to this Policy, or any Schedule of Covered Storage Tanks added to this Policy by endorsement; and
2. Is used to store the following contents, only:
 - a. Petroleum Products; or
 - b. .

All other terms and conditions of the Policy remain unchanged.

Authorized Representative



ACE American Insurance Company
Philadelphia, Pennsylvania

ACE TANKSAFE®

Storage Tank Liability Insurance Policy

DECLARATIONS

This Policy is issued by the stock insurance company listed above (hereinafter *the Insurer*).

THIS POLICY PROVIDES COVERAGE FOR THIRD-PARTY LIABILITY ON A CLAIMS-MADE AND REPORTED BASIS, WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THIS POLICY ALSO PROVIDES COVERAGE FOR FIRST-PARTY REMEDIATION COSTS ON A DISCOVERED AND REPORTED BASIS, WHICH COVERS ONLY STORAGE TANK INCIDENTS FIRST DISCOVERED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY. SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE YOUR RIGHTS AND DUTIES. LEGAL DEFENSE EXPENSES ARE SUBJECT TO AND WILL ERODE A SEPARATE AGGREGATE LIMIT OF LIABILITY. LEGAL DEFENSE EXPENSES ARE ALSO SUBJECT TO THE DEDUCTIBLE. THE DECLARATIONS, TOGETHER WITH THE COMPLETED AND SIGNED APPLICATION, THIS POLICY FORM, AND ANY ENDORSEMENTS OR SCHEDULES ATTACHED TO THIS POLICY FORM, CONSTITUTE THE INSURANCE POLICY.

Policy No.:	Renewal of:									
Item 1. First Named Insured: Principal Address:										
Item 2. Policy Period: From 12:01 A.M. on to 12:01 A.M. on (Local time at the address shown in Item 1.)										
Item 3. Retroactive Date:										
Item 4. Limits of Liability: <table><tr><td>a. \$</td><td>Per Storage Tank Incident Limit of Liability (Claims and Remediation Costs)</td></tr><tr><td>b. \$</td><td>Aggregate Limit of Limit of Liability (Claims and Remediation Costs) for all Storage Tank Incidents</td></tr><tr><td>c. \$</td><td>Aggregate Limit of Liability for all Legal Defense Expenses for all Storage Tank Incidents</td></tr><tr><td>d. \$</td><td><u>Total Policy Aggregate Limit of Liability for all Storage Tank Incidents</u></td></tr></table>		a. \$	Per Storage Tank Incident Limit of Liability (Claims and Remediation Costs)	b. \$	Aggregate Limit of Limit of Liability (Claims and Remediation Costs) for all Storage Tank Incidents	c. \$	Aggregate Limit of Liability for all Legal Defense Expenses for all Storage Tank Incidents	d. \$	<u>Total Policy Aggregate Limit of Liability for all Storage Tank Incidents</u>	
a. \$	Per Storage Tank Incident Limit of Liability (Claims and Remediation Costs)									
b. \$	Aggregate Limit of Limit of Liability (Claims and Remediation Costs) for all Storage Tank Incidents									
c. \$	Aggregate Limit of Liability for all Legal Defense Expenses for all Storage Tank Incidents									
d. \$	<u>Total Policy Aggregate Limit of Liability for all Storage Tank Incidents</u>									
Item 5. Deductible: \$	Per Storage Tank Incident									
Item 6. Premium: \$ *This premium shall be % minimum-earned as of the inception date of the policy identified in Item 2., above.										
Item 7. Notice to Insurer: <table><tr><td>a. Notice of Claim or Storage Tank Incident:</td></tr><tr><td>Environmental Risk Claims Manager</td></tr><tr><td>ACE USA Claims</td></tr><tr><td>P.O. Box 5103</td></tr><tr><td>Scranton, PA 18505-0510</td></tr><tr><td>Fax: (866) 635-5687</td></tr><tr><td> First Notice Fax: (800) 951-4119</td></tr><tr><td>First Notice Email:</td></tr><tr><td>CasualtyRiskEnvironmentalFirstNotice@acegroup.com</td></tr></table>		a. Notice of Claim or Storage Tank Incident:	Environmental Risk Claims Manager	ACE USA Claims	P.O. Box 5103	Scranton, PA 18505-0510	Fax: (866) 635-5687	 First Notice Fax: (800) 951-4119	First Notice Email:	CasualtyRiskEnvironmentalFirstNotice@acegroup.com
a. Notice of Claim or Storage Tank Incident:										
Environmental Risk Claims Manager										
ACE USA Claims										
P.O. Box 5103										
Scranton, PA 18505-0510										
Fax: (866) 635-5687										
 First Notice Fax: (800) 951-4119										
First Notice Email:										
CasualtyRiskEnvironmentalFirstNotice@acegroup.com										

b. All Other Notices:

Environmental Risk Underwriting Officer
ACE Environmental Risk
P.O. Box 1000
436 Walnut Street – WA 07A
Philadelphia, PA 19106

Item 8. Schedule of Covered Underground Storage Tanks:

Item 9. Schedule of Covered Aboveground Storage Tanks:

Item 10. Producer Name and Address:

Policy Form No. PF- (10/10) ACE TankSafe® Storage Tank Liability Insurance Policy

Endorsements and Notices Attached at Policy Issuance:

Endorsement Number:	Form Number:	Form Name:

IN WITNESS WHEREOF, the Insurer has caused this Policy to be countersigned by a duly authorized representative of the Insurer.

William P. Hyatt

DATE: _____
MO/DAY/YR.

AUTHORIZED REPRESENTATIVE



ACE TANKSAFE®

**Storage Tank Liability
Insurance Policy**

APPLICATION

Instructions:

- Please type or print clearly.
- Answer **ALL** questions completely, leaving no blanks. If any questions, or part thereof, do not apply, print "N/A" in the space.
- Provide any supporting information on a separate sheet using the Applicant's letterhead and reference the applicable question number.
- Check Yes or No answers.
- This form must be completed, dated and signed by a principal of the Applicant.

Required Attachments:

- Copies of the Applicant's past two (2) years of audited financial statements and annual reports
- Summary of Environmental Site Assessments/Remediation (past, current, planned) ☐ (check if none)
- Storage Tank Inventory – By Location Document (Attachment I)
- Marina Questionnaire (Attachment II) ☐ (check if no marina exposure)

NOTICE TO APPLICANT: THE COVERAGE APPLIED FOR IS SOLELY AS STATED IN THE POLICY AND ANY ENDORSEMENTS ATTACHED THERETO. THE POLICY PROVIDES COVERAGE FOR THIRD-PARTY LIABILITY ON A CLAIMS-MADE AND REPORTED BASIS, WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE POLICY ALSO PROVIDES COVERAGE FOR FIRST-PARTY REMEDIATION COSTS ON A DISCOVERED AND REPORTED BASIS, WHICH COVERS ONLY STORAGE TANK INCIDENTS FIRST DISCOVERED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD.

1. Name of Applicant: _____

Principal Contact: _____ E-mail Address: _____

Mailing Address: _____

Telephone #: _____ Fax #: _____

URL: http:// _____ Date Established: _____

The Applicant is: ☐ Corporation ☐ Partnership ☐ Joint Venture ☐ LLC/LLP

☐ Other: _____

Federal Employer Identification Number (FEIN): _____

2. Details of locations where the insured storage tanks are located:
(Continue on a separate sheet, if necessary.)

Company Name:	Street Address City, State Zip Code:	No. of USTs at this location	No. of ASTs at this location	Known Pre-existing Contamination Present?*	Facility Type**

- a. *If Yes, please provide details on a separate sheet. Include at a minimum:

- Prior Environmental Site Assessments (including date performed)
- Past, current, planned sampling/remediation, etc.

- b. **Facility Type: - Airport - Automobile/Other Motor Vehicle Facility
 - Convenience Store - Schools/Educational Services Facility
 - Gasoline Service Station - Petroleum Bulk Station/Terminal
 - Marina - Other (If "Other", please describe.)

3. Please complete the **Storage Tank Inventory – By Location** form as attached to this application. (If more than one location, please make duplicates of the inventory form and complete a separate form for each location.)

4. The Applicant's total gross revenues in the last filed tax return, excluding recovered expenses:

\$_____ [for the period ending: month _____ year _____]

5. The Applicant's estimated gross revenues for the current fiscal year: \$_____

6. Desired effective date of coverage: _____

- a. Desired Retroactive Date: ☐ Policy Inception ☐ Other _____

(In order to obtain retroactive coverage, you must provide copies of all prior policies for the corresponding time period.)

7. Limits of Liability and Deductible requested:

Limits of Liability:	Deductible:
Per Storage Tank Incident: \$_____	\$_____ (per Storage Tank Incident)
Aggregate: \$_____	
Aggregate Legal Defense Expense Limit: \$_____	

8. Were all of the Applicant's or any other party to the proposed insurance's storage tanks new at the time of installation? ☐ YES ☐ NO
9. Were any of the Applicant's or any other party to the proposed insurance's storage tanks installed prior to 1975? ☐ YES ☐ NO

10. Are any of the Applicant's or any other party to the proposed insurance's storage tanks located within one (1) mile of a body of water?
(If "Yes", please complete the **Marina Questionnaire** form as attached to this application.) ☐ YES ☐ NO
11. Are any of the Applicant's or any other party to the proposed insurance's facilities located in the State of Florida? ☐ YES ☐ NO
12. Are Single-Walled Storage Tanks (i.e., Bare Steel Tanks, Steel Tanks with Cathodic Protection, STIP $\frac{3}{4}$ Tanks or Tanks operating under ACT 100), with or without any form of tank lining, located at the Applicant's or any other party to the proposed insurance's facilities in the State of Florida? (Only applicable if Question 9. is answered "Yes"). ☐ N/A ☐ YES ☐ NO
13. Within the past five (5) years has the Applicant purchased this type of insurance coverage?
(If "Yes", please provide information regarding any such coverage and all available loss information.) ☐ YES ☐ NO
14. Are there currently, or have there historically been, any hazardous, toxic, or regulated substances stored at any of the locations for which this application for insurance is being made other than these products: Gasoline, Diesel Fuel, Motor Oil, Fuel Oil, or Kerosene? ☐ YES ☐ NO
15. Were any tanks ever removed or closed in placed at the location(s) where the scheduled tanks are currently located? ☐ YES ☐ NO
- a. Will any scheduled storage tank(s) be removed, closed or upgraded at any of the facilities for which coverage is sought under this policy within the next eighteen (18) months? ☐ YES ☐ NO
16. Does the Applicant and any other parties to the proposed insurance maintain a Spill Prevention and Counter Control Plan with regard to any aboveground tanks for which coverage is sought? (If "Yes", please provide a copy of such plan.) ☐ N/A ☐ YES ☐ NO
17. Within the past five (5) years have there been any reportable spills of regulated substances, hazardous waste or any other pollutants, as defined by applicable environmental statutes or regulations, at the facility(ies) where the tanks the Applicant is seeking coverage for are located? ☐ YES ☐ NO
18. Within the past ten (10) years have any repairs or upgrades been performed on any tanks? ☐ YES ☐ NO
- a. Are all underground storage tanks compliant with 1998 regulations? ☐ YES ☐ NO
19. Within the past five (5) years have any claims been made or legal actions (including any regulatory proceedings) been brought against the Applicant or any other party to the proposed insurance? ☐ YES ☐ NO
20. Does the Applicant or any other party to the proposed insurance have knowledge of pollution conditions at any of the proposed covered locations? ☐ YES ☐ NO
21. At the time of signing this application, is the Applicant or any other party to the proposed insurance aware of any circumstances that may reasonably be expected to give rise to a claim against any party to the proposed insurance? ☐ YES ☐ NO

If "Yes" to Questions 14. through 20., above, provide a description of the information, claim, or circumstance.

****IT IS UNDERSTOOD AND AGREED THAT IF ANY SUCH CLAIMS EXIST OR ANY SUCH FACTS OR CIRCUMSTANCES EXIST WHICH COULD GIVE RISE TO A CLAIM, THEN THOSE CLAIMS AND ANY OTHER CLAIMS ARISING FROM SUCH FACTS OR CIRCUMSTANCES ARE EXCLUDED FROM THE PROPOSED INSURANCE UNLESS OTHERWISE AFFIRMATIVELY STATED IN THE POLICY.***

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURER THAT IT AND THE OTHER PARTIES TO THIS INSURANCE, ALONG WITH ANY FOREIGN SUBSIDIARIES, WILL STRICTLY FOLLOW ANY WATER INTRUSION, MOLD-RELATED, FUNGI-RELATED OR BACTERIA-RELATED OPERATION AND MAINTENANCE PROCEDURES OR PROTOCOLS, INCLUDING ANY WATER INTRUSION, MOLD-RELATED, FUNGI-RELATED OR BACTERIA-RELATED DUE DILIGENCE PROCEDURES OR PROTOCOLS FOR THE ACQUISITION, LEASE, OPERATION, MANAGEMENT OR MAINTENANCE OF ANY PROPERTIES, WHICH WERE PROVIDED TO THE INSURER PRIOR TO THE INCEPTION OF ANY COVERAGE APPLIED FOR HEREIN. THE APPLICANT ACKNOWLEDGES THAT THE INSURER'S AGREEMENT TO PROVIDE MOLD, FUNGI AND/OR LEGIONELLA PNEUMOPHILA COVERAGE AS PART OF THE COVERAGE APPLIED FOR PURSUANT TO THIS APPLICATION IS PREDICATED UPON THE APPLICANT'S AGREEMENT TO PROVIDE THIS WARRANTY.

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURER THAT IT AND THE OTHER PARTIES TO THIS INSURANCE, ALONG WITH ANY FOREIGN SUBSIDIARIES, WILL STRICTLY FOLLOW ANY LEAD-BASED PAINT OR ASBESTOS OPERATION AND MAINTENANCE PROCEDURES OR PROTOCOLS, WHICH WERE PROVIDED TO THE INSURER PRIOR TO THE INCEPTION OF ANY SUCH COVERAGE APPLIED FOR HEREIN. THE APPLICANT ACKNOWLEDGES THAT THE INSURER'S AGREEMENT TO PROVIDE LEAD-BASED PAINT AND/OR ASBESTOS COVERAGE AS PART OF THE COVERAGE APPLIED FOR PURSUANT TO THIS APPLICATION IS PREDICATED UPON THE APPLICANT'S AGREEMENT TO PROVIDE THIS WARRANTY.

BY SIGNING THIS APPLICATION, THE APPLICANT WARRANTS TO THE INSURER THAT ALL STATEMENTS MADE IN THIS APPLICATION, INCLUDING ANY ATTACHMENTS THERETO, ABOUT THE APPLICANT AND ITS OPERATIONS ARE TRUE AND COMPLETE, AND THAT NO MATERIAL FACTS HAVE BEEN MISSTATED IN THIS APPLICATION OR CONCEALED. COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. THE APPLICANT'S ACCEPTANCE OF THE INSURER'S QUOTATION IS REQUIRED BEFORE THE APPLICANT MAY BE BOUND AND A POLICY ISSUED.

NOTICE TO APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO ARKANSAS, LOUISIANA, RHODE ISLAND and WEST VIRGINIA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

NOTICE TO KENTUCKY APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purposes of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly and willfully presents a false or fraudulent claim for payment for a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MINNESOTA APPLICANTS: A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO NEW JERSEY APPLICANTS: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NOTICE TO NEW MEXICO APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each violation.

NOTICE TO OHIO APPLICANTS: Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO OREGON APPLICANTS: Any person who knowingly and with intent to defraud or solicit another to defraud an insurer: 1) by submitting an application, or 2) by filing a claim containing a false statement as to any material fact may be violating state law.

NOTICE TO PENNSYLVANIA APPLICANTS: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO TENNESSEE, VIRGINIA and WASHINGTON APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Signature of Authorized Applicant

Signature of Broker/Agent

Print Name

Print Name

Title

Date

Date

Signed by Licensed Resident Agent
(Where Required By Law)



ACE TANKSAFE® ATTACHMENT I

Storage Tank Inventory By Location

Facility Name _____ Facility Address _____ Facility ID # _____

(Complete schedule with symbols below)

	1	2	3	4	5	6
Tank #						
UST/AST						
Install Date Year						
Capacity (Gallons)						
Contents						
Tank Construction Material						
Overfill/Spill Protection						
Tank Leak Detection						
AST Diking & Base Construction						
Piping Construction Material						
Piping Leak Detection						

Contents

- A. Unleaded Gasoline
- B. Gasohol
- C. Diesel
- D. Kerosene
- E. Waste Oil/ Used Oil
- F. Fuel Oil
- G. Generic Gasoline
- H. Pesticide
- I. Ammonia compound
- J. Chlorine compound
- K. Haz. Substance (CERCLA)
- L. Mineral Acids
- M. Grades 5&6 bunker 'C' oils
- N. Petroleum-base additive(E85)
- O. Misc. petroleum-base
- P. Heating Oil
- Q. Other, please indentify

Tank Construction

- A. Steel
- B. Fiberglass
- C. FRP Clad Steel
- D. Concrete
- E. Polyethylene
- F. Other EPA/DEP Approved
- G. Cathodic Protection Sacrificial Anode
- H. Cathodic Protection - Impressed Current
- I. Double Walled(DW) - Single Material
- J. Double Walled (DW)- Dual Material
- K. (DW)Synthetic Liner in Tank Construction
- L. (DW)Pipeless UST with Secondary Containment
- M. Internal Lining **STI**. STI-P3

Overfill/Spill Protection

- A. Ball Check Valve
- B. Spill Containment Bucket
- C. Flow Shut-off
- D. Tight Fill
- E. Level Gauges, High Level Alarms
- F. Other EPA/DEP Approved Protection Method

Piping Construction Material

- A. Steel
- B. Fiberglass
- C. Double walled
- D. Approved Synthetic Material
- E. Other EPA/DEP Approved Piping Material
- F. External Protective Coating
- G. C/P with sacrificial anode or impressed current

Tank Leak Detection

- A. Groundwater Monitoring Wells
- B. Interstitial Monitoring
- C. Vapor Monitoring Wells
- D. Visual Inspections of AST Systems
- E. Other EPA/DEP Approved
- F. SPCC Plan - AST
- G. Interstitial Space -Double Walled Tank
- H. Manual Tank Gauging - UST
- I. Statistical Inventory Reconciliation - (SIR)(USTs)
- J. Automatic Tank Gauging System (USTs)
- K. Interstitial Monitoring of AST tank bottom
- L. Annual Tightness Test with Inventory - (USTs)

AST Diking & Base Construction

- A. Concrete, Synthetic Material, clays
- B. Other EPA/DEP approved secondary containment system
- C. Dirt/Earth

Piping Leak Detection

- A. Electronic Line Leak Detector with Flow Shutoff
- B. Interstitial Monitoring – Piping Filter
- C. External Monitoring
- D. Mechanical Line Leak Detector
- E. Interstitial Monitoring of double wall piping
- F. Suction Pump Check Valve



ACE TANKSAFE® ATTACHMENT II

Marina Questionnaire

Answer the following questions in relation to any facility identified as a “marina” or any storage tank(s) located within one (1) mile of a body of water:

1. Please provide the facility name, full address and photo of the storage tank(s) and associated piping and appurtenances connected thereto.
2. Has a Spill Prevention, Control and Countermeasure Plan been completed within the past five (5) years? (If “Yes”, please provide a copy of the report.)
3. What is the distance from the storage tank to the nearest body of water? Also, please provide a description of the environment surrounding the tank?
☐ Less Than 2000 feet
☐ Less Than 1 mile
☐ More than 1 mile
4. What is the distance from the facility to the nearest recreational swimming area on this body of water?
☐ Less Than 2000 feet
☐ Less Than 1 mile
☐ More than 1 mile
5. Is all piping associated with the storage tank double-walled?
6. Is the piping associated with the storage tank UV Resistant?
7. What year was the piping associated with the storage tank installed? Has the piping ever been tested? (If “Yes”, provide a copy of the test results.)
8. Does the facility have piping that extends under the water? (If “Yes”, please describe and provide the Spill Prevention, Control and Countermeasure Plan in place for this piping.)
9. Does the facility have piping that extends over the water, including along bulkheads, docks or floating docks? (If “Yes”, please describe and provide the Spill Prevention, Control and Countermeasure Plan in place for this piping.)
10. Does the facility have a shut-off valve located on land that will stop the flow of product in the event of a release? (If “Yes”, please describe the placement of the valve and shut-off process.)
11. Are all dispensers associated with the storage tank protected from impact from boats or watercraft? (If “Yes”, please describe how.)
12. If the facility has aboveground storage tanks, do they have secondary containment? (If “Yes”, please describe.)



ACE TANKSAFE®

Storage Tank Liability Insurance Policy

This Policy is issued by the stock insurance company identified in the Declarations (hereinafter *the Insurer*).

THIS POLICY PROVIDES COVERAGE FOR THIRD-PARTY LIABILITY ON A CLAIMS-MADE AND REPORTED BASIS, WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THIS POLICY ALSO PROVIDES COVERAGE FOR FIRST-PARTY REMEDIATION COSTS ON A DISCOVERED AND REPORTED BASIS, WHICH COVERS ONLY STORAGE TANK INCIDENTS FIRST DISCOVERED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY. SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE YOUR RIGHTS AND DUTIES. LEGAL DEFENSE EXPENSES ARE SUBJECT TO AND WILL ERODE A SEPARATE AGGREGATE LIMIT OF LIABILITY. LEGAL DEFENSE EXPENSES ARE ALSO SUBJECT TO THE DEDUCTIBLE. THE DECLARATIONS, TOGETHER WITH THE COMPLETED AND SIGNED APPLICATION, THIS POLICY FORM, AND ANY ENDORSEMENTS OR SCHEDULES ATTACHED TO THIS POLICY FORM, CONSTITUTE THE INSURANCE POLICY.

Throughout this Policy the words *the Insurer* shall refer to the stock insurance company providing this insurance. Other words and phrases that appear in quotation marks have special meanings and are defined in Section **IV., DEFINITIONS**, of this Policy.

In consideration of the payment of the Premium and in reliance upon all statements made in the Application including the information furnished in connection therewith, and subject to all terms, definitions, conditions, exclusions, and limitations of this Policy, the Insurer agrees to provide insurance coverage to the "insured" as described herein.

I. INSURING AGREEMENTS

The Insurer agrees to pay on behalf of the "insured" for:

A. THIRD-PARTY CLAIMS AND FIRST PARTY REMEDIATION COSTS (Coverage A.)

"Claims" and "remediation costs", in excess of the deductible amount identified in Item **5.** of the Declarations to this Policy, arising out of a "storage tank incident", provided that the "claim" is first made, or the "insured" first discovers the "storage tank incident", during the "policy period". Any such "claim" must be reported to the Insurer, in writing, during the "policy period" or any applicable "extended reporting period". Any such discovery of a "storage tank incident" must be reported to the Insurer, in writing, during the "policy period".

The coverage afforded pursuant to this Coverage **A.** only applies to "storage tank incidents" that first commence on or after the Retroactive Date, if any, identified in Item **3.** of the Declarations and before the end of the "policy period". If no Retroactive Date is identified in the Declarations, or any endorsement attached to this Policy, the "storage tank incident" must first commence during the "policy period".

B. LEGAL DEFENSE EXPENSES (Coverage B.)

"Legal defense expense", in excess of the deductible amount identified in Item **5.** of the Declarations to this Policy, necessarily incurred to respond to a "claim" pursuant to Coverage **A.**, above, to which this insurance applies.

II. LIMITS OF LIABILITY AND DEDUCTIBLE

- A.** The Insurer's obligation to pay for "claims", "remediation costs" and "legal defense expenses" shall be reduced by the deductible amount identified in Item **5.** of the Declarations to this Policy. If the sum of the "claim" or "remediation costs" is less than the Per Storage Tank Incident Limit of Liability identified in Item **4.a.** of the Declarations, the Insurer may pay all or part of the deductible amount to effect settlement of any "claim". Upon notification of the Insurer's payment of such deductible amount, the "first named insured" shall promptly reimburse the Insurer for the deductible amount that the Insurer has paid on its behalf.

- B. One deductible shall apply to all “claims”, “remediation costs” and “legal defense expenses” arising from the same, continuous, repeated, or related “storage tank incident”.
- C. With respect to Coverage **A.**, and subject to Subsections **D.** and **F.**, below, the most the Insurer shall pay for all “claims” and “remediation costs” arising out of the same, continuous, repeated, or related “storage tank incident” is the Per Storage Tank Incident Limit of Liability identified in Item **4.a.** of the Declarations to this Policy.
- D. With respect to Coverage **A.**, and subject to Subsection **F.**, below, the Aggregate Limit of Liability identified in Item **4.b** of the Declarations to this Policy shall be the maximum liability of the Insurer pursuant to this Policy for all “claims” and “remediation costs” arising out of all “storage tank incidents” to which this insurance applies.
- E. With respect to Coverage **B.**, and Subject to Subsection **F.**, below, the Aggregate Limit of Liability identified in Item **4.c.** of the Declarations to this Policy shall be the maximum liability of the Insurer pursuant to this Policy for “legal defense expense” necessarily incurred to respond to all “claims” arising out of all “storage tank incidents” to which this insurance applies.
- F. The Total Policy Aggregate Limit of Liability identified in Item **4.d.** of the Declarations to this Policy shall be the maximum liability of the Insurer pursuant to this Policy with respect to all “claims”, “remediation costs” and “legal defense expense” arising out of all “storage tank incidents” to which Coverages **A.** and **B.** of this insurance apply.
- G. If the Insurer or an affiliate has issued claims-made liability coverage for a “covered underground storage tank” or a “covered aboveground storage tank” in one or more policy periods, and a “storage tank incident” is first discovered and reported to the Insurer in accordance with the terms and conditions of this Policy, then:
 - 1. All such continuous, repeated, or related “storage tank incidents” that are subsequently reported to the Insurer during later policy periods shall be deemed to be one “storage tank incident” discovered during this “policy period”; and
 - 2. All “claims” arising out of a “storage tank incident” that was discovered during this “policy period”, including any continuous, repeated, or related “storage tank incident”, shall be deemed to have been first made and reported during this “policy period”,
 and no other policy shall respond.

III. DEFENSE AND SETTLEMENT

- A. The Insurer shall have the right and, subject to the deductible obligation identified in Item **5.** of the Declarations to this Policy, the duty to defend the “insured” against any “claim” to which this insurance applies. The Insurer shall have no duty to defend the “insured” against any “claim” to which this insurance does not apply. The Insurer’s duty to defend ends when:
 - 1. The Limits of Liability identified in Items **4.a.**, **4.b.** or **4.d.** are exhausted or are tendered into a court of applicable jurisdiction;
 - 2. The “insured” refuses a settlement offer as provided in Subsection **D.**, below; or
 - 3. The Limits of Liability identified in Items **4.c.** are exhausted,
 whichever occurs first.
- B. The Insurer shall have the right to select legal counsel to represent the “insured” for the investigation, adjustment, and defense of any “claims” covered pursuant to this Policy. Selection of legal counsel by the Insurer shall not be done without the consent of the “insured”; such consent shall not be unreasonably withheld. “Legal defense expenses” incurred prior to the selection of legal counsel by the Insurer shall not be covered pursuant to this Policy, or credited against the deductible.

In the event the “insured” is entitled by law to select independent counsel to defend itself at the Insurer’s expense, the attorney fees and all other litigation expenses the Insurer must pay to that counsel are limited to the rates the Insurer actually pays to counsel that the Insurer normally retains in the ordinary course of business when defending “claims” or lawsuits of similar complexity in the jurisdiction where the “claim” arose or is being defended. In addition, the “insured” and the Insurer agree that the Insurer may exercise the right to require that such counsel: **1)** have certain minimum qualifications with respect to their competency, including experience in defending “claims” similar to those being asserted against the “insured”; **2)** maintain suitable errors and omissions insurance coverage; **3)** be located within a reasonable proximity to the jurisdiction of the “claim”; and **4)** agree in writing to respond in a timely manner to the Insurer’s requests for

information regarding the “claim”. The “insured” may at anytime, by its signed consent, freely and fully waive its right to select independent counsel.

- C. “Legal defense expenses” reduce the Limits of Liability identified in Items **4.c.** and **4.d.** of the Declarations to this Policy and shall be subject to the deductible obligation.
- D. The Insurer shall present all settlement offers to the “insured”. If the Insurer recommends a settlement which is acceptable to the claimants, within the Limits of Liability, and does not impose any additional unreasonable burdens on the “insured”, and the “insured” refuses to consent to such settlement offer, then the Insurer’s duty to defend shall end. The “insured” shall defend such “claim” independently. The Insurer’s liability pursuant to this Policy shall not exceed the amount for which the “claim” could have been settled if the Insurer’s recommendation had been accepted by the “insured”, exclusive of the deductible obligation.

IV. COVERAGE TERRITORY

The coverage afforded pursuant to this Policy shall only apply to “storage tank incidents” located, and “claims” made, within the United States of America.

V. DEFINITIONS

- A. **“Additional insured”** means any person or entity specifically endorsed onto this Policy as an “additional insured”, if any. Such “additional insured” shall maintain only those rights pursuant to this Policy as are specified by endorsement.
- B. **“Bodily injury”** means physical injury or illness, disease, mental anguish, or emotional distress sustained by any person, including death resulting therefrom.
- C. **“Claim”** means the written assertion of a legal right received by the “insured” from a third-party, including, but not limited to, suits or other actions alleging responsibility or liability on the part of the “insured” for “bodily injury” or “property damage” arising out of a “storage tank incident”.
- D. **“Corrective action costs”** means expenses necessarily incurred by an “insured” to investigate, quantify, assess, monitor, abate, remove, dispose, treat, neutralize or immobilize “storage tank incidents” to the extent required by 40 CFR Sections 280.60-280.67 and 40 CFR Section 280.72 promulgated by the Federal Environmental Protection Agency, or other “environmental law”.
- E. **“Covered aboveground storage tank”** means a stationary petroleum product-containing tank, and associated piping and appurtenances connected thereto, with less than ten percent (10%) of its volume below ground, but solely to the extent that such tank is identified in the Schedule of Covered Aboveground Storage Tanks identified in Item **9.** of the Declarations to this Policy, or any Schedule of Covered Storage Tanks added to this Policy by endorsement.
- F. **“Covered underground storage tank”** means a petroleum product-containing tank, and associated piping and appurtenances connected thereto, with more than ten percent (10%) of its volume below ground, but solely to the extent that such tank is identified in the Schedule of Covered Underground Storage Tanks identified in Item **8.** of the Declarations to this Policy, or any Schedule of Covered Storage Tanks added to this Policy by endorsement.
- G. **“Emergency response”** means actions taken by the “insured” to abate and/or respond to an imminent and substantial threat to human health or the environment arising from a “storage tank incident”.
- H. **“Environmental laws”** means any federal, state, municipal or other local laws, statutes, ordinances, regulations, and all amendments thereto, including state voluntary cleanup programs or risk-based corrective action guidance, governing the liabilities and legal obligations of the “insured” with respect to “covered aboveground storage tanks” or “covered underground storage tanks”.
- I. **“Extended reporting period”** means the additional period of time in which to report a “claim” first made against the “insured” during or subsequent to the end of the “policy period” arising from a “storage tank incident” to which this insurance applies. Such “storage tank incident” must commence on or after any applicable Retroactive Date identified in Item **3.** of the Declarations to this Policy, but before the end of the “policy period”. If no Retroactive Date is identified in the Declarations or any endorsement attached to this Policy, the “storage tank incident” must first commence during the “policy period”.
- J. **“First named insured”** means the person or entity as identified in Item **1.** of the Declarations to this Policy. The “first named insured” is the party responsible for the payment of any premiums and the payment of any applicable deductible amounts. The “first named insured” shall also serve as the sole agent on behalf of all “insureds” with respect to the provision and receipt of notices, including notice of cancellation or non-renewal,

receipt and acceptance of any endorsements or any other changes to this Policy, return of any premium, assignment of any interest pursuant to this Policy, as well as the exercise of any applicable “extended reporting period”, unless any such responsibilities are otherwise designated by endorsement.

- K. **“Government action”** means action taken or liability imposed by any federal, state, municipal or other local government agency or body acting pursuant to the authority of “environmental laws”.
- L. **“Insured”** means the “first named insured”, any “named insured”, any “additional insured”, and any past or present director or officer of, partner in, or employee of, any “insured” while acting within the scope of his or her duties as such.
- M. **“Legal defense expense”** means reasonable legal costs, charges, and expenses, including expert charges, incurred by the “insured” in the investigation, adjustment, or defense of a “claim”.
- N. **“Named insured”** means any person or entity specifically endorsed onto this Policy as a “named insured”, if any. Such “named insured” shall maintain the same scope of coverage pursuant to this Policy as the “first named insured”.
- O. **“Natural resource damages”** means damages for, injury to, destruction of, or loss of fish, wildlife, biota, land, air, water, groundwater, drinking water supplies, and other similar resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States, any state or local government, or any Native American Tribe, including the reasonable costs of assessing such injury, destruction or loss resulting therefrom.
- P. **“Policy period”** means that period of time identified in Item 2. of the Declarations to this Policy, or any shorter period resulting from the cancellation of this Policy.
- Q. **“Pollution condition”** means any spilling, leaking, emitting, discharging, dispersing, seeping, escaping or releasing of the contents of any “covered underground storage tank” or “covered aboveground storage tank” into surface soils, subsurface soils, surface water, sediments or groundwater.
- R. **“Property damage”** means:
 - 1. Physical injury to, or destruction of, tangible property of a third-party, including all resulting loss of use of that property;
 - 2. Loss of use of tangible property of a third-party, that is not physically injured or destroyed;
 - 3. Diminished value of tangible property owned by a third-party; or
 - 4. “Natural resource damages”.
- S. **“Remediation costs”** means :
 - 1. With respect to “covered aboveground storage tanks”, only, reasonable expenses incurred to investigate, quantify, monitor, mitigate, abate, remove, dispose, treat, neutralize, or immobilize a “storage tank incident” to the extent required by “environmental law”; and
 - 2. With respect to “covered underground ground storage tanks”, only, “corrective action costs”.

“Remediation costs” shall also include:

 - 1. Reasonable legal cost, where such cost has been incurred by an “insured” with the written consent of the Insurer; and
 - 2. “Replacement costs”.
- T. **“Replacement costs”** means reasonable expenses required to restore, repair or replace real property, or physical improvements thereto, damaged during the course of responding to a “storage tank incident”. “Replacement costs” do not include costs associated with improvements or betterments, or any costs associated with the repair, replacement, or upgrading of any “covered underground storage tank” or “covered aboveground storage tank”.
- U. **“Responsible insured”** means any employee of a “named insured” responsible for environmental affairs, control, or compliance, and any officer of, director of, or partner in, a “named insured”.
- V. **“Storage tank incident”** means a “pollution condition” resulting from a “covered underground storage tank” or a “covered aboveground storage tank”. The entirety of continuous or repeated “pollution conditions” resulting from the same “covered underground storage tank” or “covered aboveground storage tank” shall be deemed to be one “storage tank incident”.

W. "Terrorism" means activities against persons, organizations or property of any nature:

1. That involve the following or preparation for the following:
 - a. Use or threat of force or violence; or
 - b. Commission or threat of a dangerous act; or
 - c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 2. When one or both of the following applies:
 - a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- X. "War"** means war, whether or not declared, civil war, martial law, insurrection, revolution, invasion, bombardment or any use of military force, usurped power or confiscation, nationalization or damage of property by any government, military or other authority.

VI. EXCLUSIONS

This insurance does not apply to:

A. Contractual Liability

"Claims", "remediation costs" or "legal defense expenses" arising out of or related to any liability of others assumed by an "insured" through contract or agreement, except if the liability would have attached to such "insured" in the absence of such contract or agreement.

This exclusion does not apply to those contracts identified in the Schedule of Insured Contracts endorsed to this Policy, if any.

B. Employers Liability

"Claims" for "bodily injury" to:

1. An "insured" or an employee of its parent, subsidiary or affiliate
 - a. Arising out of and in the course of employment by the "insured" or its parent, subsidiary or affiliate; or
 - b. Performing duties related to the conduct of the "named insured's" business.
2. The spouse, child, parent, brother or sister of such "insured" or employee of its parent, subsidiary or affiliate as a consequence of Paragraph 1., above.

This exclusion shall apply:

1. Whether the "insured" may be liable as an employer or in any other capacity;
2. To any obligation to share damages with or repay someone else who must pay damages because of such "bodily injury"; and
3. To all "legal defense expense" associated with such "claims".

C. Fines and Penalties

Payment of fines, penalties, punitive, exemplary or multiplied damages, or any associated "claims" seeking exclusively injunctive relief in addition to such fines, penalties or damages.

This exclusion shall apply to any "legal defense expense" associated with such fines, penalties or damages.

D. First-Party Property Damage

"Claims" or "legal defense expenses" arising out of or related to damage to real or personal property owned by, leased to, loaned to, or rented by, an "insured", or otherwise in the care, custody, or control of an "insured".

This exclusion does not apply to "remediation costs".

E. Fraud or Misrepresentation

"Claims", "remediation costs" or "legal defense expenses" arising out of or related to fraudulent acts or material misrepresentations on the part of any "insured", which would have affected the Insurer's decision to issue this Policy pursuant to the financial terms identified in the Declarations of this Policy.

F. Known Conditions

"Claims", "remediation costs" or "legal defense expenses" arising out of or related to "storage tank incidents" in existence prior to the "policy period" and reported to a "responsible insured", but not disclosed to the Insurer in writing.

G. Insured's Internal Expenses

"Claims", "remediation costs" or "legal defense expenses" arising out of or related to expenses incurred by an "insured" for services performed by salaried staff or employees of an "insured".

H. Intentional Non-Compliance

"Claims", "remediation costs" or "legal defense expenses" arising out of or related to the intentional disregard of, or knowing, willful or deliberate non-compliance with, any statute, regulation, administrative complaint, notice of violation, notice letter, instruction of any governmental agency or body, or executive, judicial or administrative order by a "responsible insured".

I. Lead-Based Paint and Asbestos

"Claims", "remediation costs" or "legal defense expenses" arising out of or related to the presence of lead-based paint, asbestos, or asbestos-containing materials, in, on, or applied to any structure, including, but not limited to, a "covered underground storage tank" or "covered aboveground storage tank".

J. Nuclear Hazard

1. "Claims", "remediation costs" or "legal defense expenses":
 - a. With respect to which the "insured" pursuant to this Policy is also an "insured" pursuant to a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, or Nuclear Insurance Association of Canada, or would be an "insured" pursuant to any such policy but for its termination upon exhaustion of its limits of liability; or
 - b. Resulting from the hazardous properties of nuclear material and with respect to which:
 - (1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (2) The "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, pursuant to any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
2. "Claims", "remediation costs" or "legal defense expenses" arising out of or related to the hazardous properties of nuclear material, if:
 - a. The nuclear material
 - (1) Is at any nuclear facility owned by, or operated by or on behalf of the "insured"; or
 - (2) Has been discharged or dispersed therefrom;
 - b. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of the "insured"; or
 - c. The "bodily injury" or "property damage" arises out of the furnishing by the "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, located within the United States of America, its territories or possessions or Canada.
3. As used in this exclusion:
 - a. Hazardous properties include radioactive, toxic, or explosive properties.
 - b. Nuclear material means source material, special nuclear material, or byproduct material.

- c. Source material, special nuclear material, and byproduct material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- d. Spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.
- e. Waste means any waste material:
 - (1) Containing byproduct material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content; and
 - (2) Resulting from the operation by any person or organization of any nuclear facility included pursuant to the first two paragraphs of the definition of nuclear facility;
- f. Nuclear facility means:
 - (1) Any nuclear reactor;
 - (2) Any equipment or device designed or used for
 - (a) Separating the isotopes of uranium or plutonium;
 - (b) Processing or utilizing spent fuel; or
 - (c) Handling, processing or packaging waste;
 - (3) Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (4) Any structure, basin, excavation, premises, or place prepared or used for the storage or disposal of waste;
 - (5) The site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
- g. Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
- h. "Property damage" includes all forms of radioactive contamination of property.

K. Regulatory Compliance

"Claims", "remediation costs" or "legal defense expenses" arising out of or related to any "storage tank incident" involving a "covered aboveground storage tank" or "covered underground storage tank" that was not in compliance with all applicable "environmental laws" prior to such "storage tank incident".

L. Storage Tank Contents

"Claims", "remediation costs" or "legal defense expenses" arising out of or related to costs associated with the loss, removal, replacement, re-use, or recycling of the contents of any "covered underground storage tank" or "covered aboveground storage tank".

M. War or Terrorism

"Claims", "remediation costs" or "legal defense expenses" arising out of or related to "storage tank incidents" attributable, whether directly or indirectly, to any acts that involve, or that involve preparation for, "war" or "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

VII. REPORTING AND COOPERATION

- A. The "insured" must see to it that the Insurer receives written notice of any "claim" or "storage tank incident", as soon as possible, but in no event more than seven (7) days after a "responsible insured" first became aware of, or should have become aware of, such "claim" or "storage tank incident". Such notice shall be

provided to the Insurer at the address identified in Item **7.a.** of the Declarations to this Policy and should include reasonably detailed information as to:

1. The identity of the “insured”, including contact information for an appropriate person to contact regarding the handling of the “claim” or “storage tank incident”;
 2. The identity of “covered aboveground storage tank” or “covered underground storage tank”;
 3. The nature of the “claim” or “storage tank incident”; and
 4. Any steps undertaken by the “insured” to respond to the “claim” or “storage tank incident”.
- B.** The “insured” must:
1. Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any “claim”;
 2. Authorize the Insurer to obtain records and other information;
 3. Cooperate with the Insurer in the investigation, settlement or defense of the “claim”;
 4. Assist the Insurer, upon the Insurer’s request, in the enforcement of any right against any person or organization which may be liable to the “insured” because of “bodily injury”, “property damage”, “remediation costs” or “legal defense expense” to which this Policy may apply; and
 5. Provide the Insurer with such information and cooperation as it may reasonably require.
- C.** No “insured” shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any “claim” without the written consent of the Insurer. Nor shall any “insured” incur any “remediation costs” without the prior express written consent of the Insurer, except in the event of an “emergency response”.
- D.** Upon the discovery of a “storage tank incident”, the “insured” shall make every attempt to mitigate any loss and comply with applicable “environmental laws”. The “insured” must cooperate with the Insurer in the selection and retention of qualified contractors or consultants. The Insurer shall have the primary responsibility, but not the duty, to select, retain, and oversee such contractors or consultants, on behalf of the “insured”. Any “remediation costs” incurred by the Insurer shall be deemed incurred by the “insured”, and shall be subject to the deductible obligation and Limits of Liability of this Policy.

VIII. EXTENDED REPORTING PERIOD

- A.** The “first named insured” shall be entitled to a basic “extended reporting period”, and may purchase an optional supplemental “extended reporting period”, following cancellation, as described Section **IX., GENERAL CONDITIONS**, Subsection **A.**, or nonrenewal.
- B.** “Extended reporting periods” shall not reinstate or increase the Limits of Liability. “Extended reporting periods” shall not extend the “policy period” or change the scope of coverage provided. A “claim” first made against an “insured” and reported to the Insurer within the basic “extended reporting period” or supplemental “extended reporting period”, whichever is applicable, shall be deemed to have been made on the last day of the “policy period”.
- C.** Provided the “first named insured” has not purchased any other insurance to replace this Policy, the “named insured” shall have a one hundred and eighty (180) day basic “extended reporting period” without additional charge.
- D.** Provided the “first named insured” has not purchased any other insurance to replace this Policy, the “named insured” shall also be entitled to purchase a supplemental “extended reporting period” of up to thirty (30) months for not more than two hundred percent (200%) of the full Premium identified in Item **6.** of the Declarations to this Policy. Such supplemental “extended reporting period” starts when the basic “extended reporting period” ends. The Insurer shall issue an endorsement providing a supplemental “extended reporting period” provided that the “first named insured”:
1. Makes a written request, to the address identified in Item **7.b.** of the Declarations to this Policy, for such endorsement which the Insurer receives prior to the expiration of the “policy period”; and
 2. Pays the additional Premium when due. If that additional Premium is paid when due, the supplemental “extended reporting period” may not be cancelled by the Insurer, provided that all other terms and conditions of the Policy are met.

IX. GENERAL CONDITIONS

A. Cancellation

1. This Policy may be cancelled only by the "first named insured", or through the "first named insured's" agent, by mailing to the Insurer at the address identified in Item 7.b. of the Declarations to this Policy, written notice stating when such cancellation shall be effective.
2. This Policy may be cancelled by the Insurer for the following reasons:
 - a. Non-payment of premium;
 - b. Fraud or material misrepresentation on the part of any "insured; or
 - c. Change in use or operation of a "covered underground storage tank" or "covered aboveground storage tank" from the use contemplated in the Application and supporting materials that materially increases the likelihood of "claims" or "storage tank incidents",

by mailing to the "first named insured" at the "first named insured's" last known address, written notice stating when, not less than sixty (60) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the premium, such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall be the end of the "policy period".

Subparagraph 2.b., herein, shall apply only to that "insured" that engages in the fraud or misrepresentation, or any other "insured" who is a parent corporation, subsidiary, employer of, or otherwise affiliated by ownership with, such "insured".

3. In the event of cancellation, the premium percentage identified in Item 5. of the Declarations to this Policy shall be the minimum-earned premium upon the inception date of this Policy. Thereafter, the remaining unearned premium, if any, shall be deemed earned by the Insurer on a *pro rata* basis over the remainder of the "policy period". Any unearned premium amounts due the "first named insured" upon cancellation of this Policy shall be calculated on a *pro rata* basis and refunded within thirty (30) days of the effective date of cancellation.

B. Inspection and Audit

To the extent of the "insured's" ability to provide such access, and with reasonable notice to the "insured", the Insurer shall be permitted, but not obligated, to inspect any "covered aboveground storage tank" or "covered underground storage tank". The "insured" shall have the concurrent right to collect split samples. Neither the Insurer's right to make inspections, the making of said inspections, nor any report thereon, shall constitute an undertaking, on behalf of or for the benefit of the "insured" or others, to determine or warrant that such property or operations are safe or in compliance with "environmental laws", or any other laws.

The Insurer may examine and audit the "insured's" books and records during this "policy period" and extensions thereof and within three (3) years after the final termination of this Policy.

C. Legal Action Against the Insurer

No person or organization other than an "insured" has a right pursuant to this Policy:

1. To join the Insurer as a party or otherwise bring the Insurer into a suit against any "insured"; or
2. To sue the Insurer in connection with this insurance unless all of the Policy terms have been fully complied with.

D. Bankruptcy

The insolvency or bankruptcy of any "insured" or any "insured's" estate shall not relieve the Insurer of its obligations pursuant to this Policy. However, any such insolvency or bankruptcy of the "insured" or any "insured's" estate shall not relieve the "first named insured" of its deductible obligation pursuant to this Policy. This insurance shall not replace any other insurance to which this Policy is excess, nor shall this Policy drop down to be primary, in the event of the insolvency or bankruptcy of any underlying insurer.

E. Subrogation

In the event of any payment pursuant to this Policy by the Insurer, the Insurer shall be subrogated to all of the rights of recovery against any person or organization, and the "insured" shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The "insureds" shall do nothing to prejudice such rights. Any recovery as a result of subrogation proceedings arising pursuant to this Policy shall accrue first to the "insureds" to the extent of any payments in excess of the limit of coverage;

then to the Insurer to the extent of its payment pursuant to the Policy; and then to the "insured" to the extent of the deductible. Expenses incurred in such subrogation proceedings shall be apportioned among the interested parties in the recovery in the proportion that each interested party's share in the recovery bears to the total recovery.

F. Representations

By accepting this Policy, the "first named insured" agrees that:

1. The statements in the Declarations, schedules, and application for this Policy are accurate and complete;
2. Those statements are based upon representations the "first named insured" made to the Insurer; and
3. This Policy has been issued in reliance upon the "first named insured's" representations.

G. Separation of Insureds

Except with respect to the Limits of Liability, Cancellation Conditions **2.a.** and **2.c.**, the Fraud or Misrepresentation Exclusion, the Intentional Non-Compliance Exclusion, the Known Conditions Exclusion, the Regulatory Compliance Exclusion and any obligations specifically assigned to the "first named insured", this Policy applies:

1. As if each "named insured" were the only "insured"; and
2. Separately to each "named insured" against whom a "claim" is made.

H. Other Insurance

If other valid and collectible insurance is available to any "insured" covering a loss also covered by this Policy, other than a policy that is specifically written to apply in excess of this Policy, the insurance afforded by this Policy shall apply in excess of and shall not contribute with such other insurance.

I. Jurisdiction and Venue

It is agreed that in the event of the failure of the Insurer to pay any amount claimed to be due hereunder, the Insurer and the "insured" shall submit to the exclusive jurisdiction of the State of New York and shall comply with all requirements necessary to give such court jurisdiction. Nothing in this clause constitutes or should be understood to constitute a waiver of the Insurer's right to remove an action to a United States District Court.

J. Choice of Law

All matters arising hereunder including questions relating to the validity, interpretation, performance, and enforcement of this Policy, including the rights, duties and obligations thereunder, shall be determined in accordance with the law and practices of the State of New York.

K. Changes and Assignment

Notice to or knowledge possessed by any person shall not effect waiver or change in any part of this Policy or estop the Insurer from asserting any right pursuant to the terms of this Policy. The terms, definitions, conditions, exclusions and limitations of this Policy shall not be waived or changed, and no assignment of any interest in this Policy shall bind the Insurer, except as provided by endorsement and attached to this Policy.

L. Headings

The descriptions in the headings and sub-headings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

M. Consent

Where the consent of the Insurer, or an "insured", is required pursuant to this Policy, such consent shall not be unreasonably withheld, delayed, conditioned, or denied.

TERRORISM RISK INSURANCE ACT ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Terrorism Premium (Certified Acts of Terrorism): \$_____

In consideration of the additional premium indicated above, which is included in the Premium as listed on the Declarations, the "insured" and the Insurer, hereby agree to the following Policy change(s):

- A.** With respect to any "hostile acts" or "terrorism" exclusions contained in this Policy, or attached to this Policy by endorsement, such exclusions do not apply to a "certified act of terrorism", as defined in Paragraph **C.**, below.
- B.** With respect to any one or more "certified acts of terrorism", the Insurer will not pay any amounts for which the Insurer is not responsible under the terms of the federal Terrorism Risk Insurance Act ("**TRIA**"), due to the application of any clause which results in a cap on the Insurer's liability for payments for terrorism losses.
- C.** "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to TRIA. The criteria contained TRIA for a "certified act of terrorism" include the following:
 - 1.** The act resulted in insured losses in excess of \$5 million attributable to all types of insurance subject to TRIA; and
 - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- D.** Notwithstanding any coverage that may otherwise be afforded for punitive damages under this Policy, if any, coverage shall not be afforded for damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.
- E.** The coverage afforded under this endorsement shall expire at the earlier of the following dates:
 - 1.** The end of the "policy period", as indicated on the Declarations; or
 - 2. December 31, 2014.**
- F.** The premium for "certified acts of terrorism" coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in TRIA. The federal program established by TRIA is scheduled to terminate at the end of December 31, 2014, unless extended by the federal government.

- G.** If this “policy period” extends beyond December 31, 2014, please note that the TRIA premium, above, is premised on the parties’ assumption that TRIA will later be extended through the end of the “policy period”, thereby mandating that Insurer make available coverage for “certified acts of terrorism” for the entire “policy period”. In the event that TRIA is not extended beyond December 31, 2014, or otherwise expires at some point during the “policy “period”, the Insurer will refund the unearned portion of our TRIA premium to the insured on a pro-rata basis. In the event that new TRIA extension or replacement legislation is enacted requiring the Insurer to offer coverage for terrorism that is materially different than the coverage requirements included in the current version of TRIA that expires on December 31, 2014, the Insurer reserves the right to re-price and prospectively modify terrorism coverage to conform with the statutory requirements and risks presented by any such new legislation.

All other terms and conditions of the policy remain unchanged.

Authorized Agent

UNDERGROUND STORAGE TANKS AGGREGATE SUBLIMIT OF LIABILITY ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Underground Storage Tank Aggregate Sublimit of Liability: \$

The Underground Storage Tank Aggregate Sublimit of Liability shall be the maximum amount the Insurer shall pay for all “claims” and “remediation costs” arising out of “storage tank incidents” involving “underground storage tanks” to which this Policy applies. The Underground Storage Tank Aggregate Sublimit of Liability shall be subject to the Limits of Liability identified in Items **4.a**, **4.b**, and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

UNDERGROUND STORAGE TANK-SPECIFIC AGGREGATE SUBLIMIT OF LIABILITY ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

Solely with respect to the “covered underground storage tanks” identified in the Schedule of Sublimited Storage Tanks, below, the following Underground Storage Tank Aggregate Sublimit of Liability shall apply:

Underground Storage Tank Aggregate Sublimit of Liability: \$

This Underground Storage Tank Aggregate Sublimit of Liability shall be the maximum amount the Insurer shall pay for all “claims” and “remediation costs” arising out of “storage tank incidents” involving “covered underground storage tanks” identified on the Schedule of Sublimited Storage Tanks, below. This Underground Storage Tank Aggregate Sublimit of Liability shall be subject to the Limits of Liability identified in Items **4.a**, **4.b**, and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.

Schedule of Sublimited Storage Tanks

Insured's Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type	Retroactive Date
			UST	
			UST	
			UST	
			UST	
			UST	

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

UNDERGROUND STORAGE TANK-SPECIFIC SUBLIMITS OF LIABILITY (Separated) ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The “insured” and the Insurer hereby agree to the following changes to this Policy:

- I. Solely with respect to the “covered underground storage tanks” identified in the Schedule of Sublimited Storage Tanks, below, the following Underground Storage Tank-Specific Sublimits of Liability shall apply:**

Underground Storage Tank-Specific Per Storage Tank Incident (Remediation Costs)

Sublimit of Liability: \$

Underground Storage Tank-Specific Per Storage Tank Incident (Claims) Sublimit of Liability: \$

Underground Storage Tank-Specific Aggregate Sublimit of Liability: \$

- II.** The Underground Storage Tank-Specific Per Storage Tank Incident (Remediation Costs) Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “remediation costs” arising out of the same, continuous, repeated, or related “storage tank incident”. The Underground Storage Tank-Specific Per Storage Tank Incident (Remediation Costs) Sublimit of Liability, above, shall be subject to: **1)** the Underground Storage Tank-Specific Aggregate Sublimit of Liability, above; and **2)** the Limits of Liability identified in Items **4.a**, **4.b**. and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.
- III.** The Underground Storage Tank-Specific Per Storage Tank Incident (Claims) Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “claims” arising out of the same, continuous, repeated, or related “storage tank incident”. The Underground Storage Tank-Specific Per Storage Tank Incident (Claims) Sublimit of Liability, above, shall be subject to: **1)** the Underground Storage Tank-Specific Aggregate Sublimit of Liability, above; and **2)** the Limits of Liability identified in Items **4.a**, **4.b**. and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.
- IV.** The Underground Storage Tank-Specific Aggregate Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all “claims” and “remediation costs” arising out of “storage tank incidents” involving “covered underground storage tanks” identified on the Schedule of Sublimited Storage Tanks, below. The Underground Storage Tank-Specific Aggregate Sublimit of Liability, above, shall be subject to the Limits of Liability identified in Items **4.a**, **4.b**. and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.

Schedule of Sublimited Storage Tanks

Insured's Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type	Retroactive Date
			UST	
			UST	
			UST	
			UST	
			UST	

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

UNDERGROUND STORAGE TANK-SPECIFIC SUBLIMITS OF LIABILITY ENDORSEMENT

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period to	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following changes to this Policy:

- I. Solely with respect to the "covered underground storage tanks" identified in the Schedule of Sublimited Storage Tanks, below, the following Underground Storage Tank-Specific Sublimits of Liability shall apply:

Underground Storage Tank-Specific Per Storage Tank Incident Sublimit of Liability: \$

Underground Storage Tank-Specific Aggregate Sublimit of Liability: \$

- II. The Underground Storage Tank-Specific Per Storage Tank Incident Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all "claims" and "remediation costs" arising out of the same, continuous, repeated, or related "storage tank incident". The Underground Storage Tank-Specific Per Storage Tank Incident Sublimit of Liability, above, shall be subject to: **1)** the Underground Storage Tank-Specific Aggregate Sublimit of Liability, above; and **2)** the Limits of Liability identified in Items **4.a**, **4.b**, and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.
- III. The Underground Storage Tank-Specific Aggregate Sublimit of Liability, above, shall be the maximum amount the Insurer shall pay for all "claims" and "remediation costs" arising out of "storage tank incidents" involving "covered underground storage tanks" identified on the Schedule of Sublimited Storage Tanks, below. The Underground Storage Tank-Specific Aggregate Sublimit of Liability, above, shall be subject to the Limits of Liability identified in Items **4.a**, **4.b**, and **4.d**. of the Declarations to this Policy. Under no circumstance shall the Insurer be liable to pay any amount in excess of those Limits of Liability.

Schedule of Sublimited Storage Tanks

Insured's Facility Name and Address	Tank ID No.	Tank Size (gal.)	Tank Type	Retroactive Date
			UST	
			UST	
			UST	
			UST	

			UST	
--	--	--	-----	--

All other terms and conditions of the Policy remain unchanged.

Authorized Representative

CONNECTICUT INSURANCE DEPARTMENT
CLAIMS MADE
FORMS FILING CHECKLIST

Reset Form

COMPANY	Co. File No.
TYPE OF INSURANCE	PAGE 1 OF 2

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with applicable Connecticut General Statutes, regulations or rules. Complete the Form, Page and Paragraph numbers to indicate where compliance can be found in the document/s. If not applicable, enter N/A in this column and explain why in the blank space at the end of the checklist. Failure to complete the checklist may result in the rejection of the filing pursuant to Connecticut Bulletin PC-62.

APPLICABLE REGULATIONS CAN BE FOUND IN CONNECTICUT AGENCIES REGULATIONS SECTION 38A-327-1 ET. SEQ.

I. EXTENDED REPORTING PERIOD "ERP" REQUIREMENTS				Form/Page/Para Reference
a. Automatic ERP coverage of 30 days or more is available	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
b. Additional ERP coverage is made available for purchase by the named insured	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
c. Reinstatement of the Limits of Liability for ERP is available	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
d. Required ERP coverages are available upon termination, cancellation, reductions in coverage, or limits or increases in deductibles or self-insured retentions	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
e. The named insured is provided not less than thirty days after termination to accept the additional ERP	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
f. The premium for the additional ERP is based on rates in effect on the later of the date the policy was issued or last renewed	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
II. OTHER PROVISIONS				
a. The first page of the policy and any certificate contain a conspicuous notice stating that the policy is written on a claims-made basis	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
b. Once a retroactive date is established with an insured, the policy provides that it may be advanced only with the written consent of the named insured	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
c. A provision for the purchase of prior acts coverage is available at issuance	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
d. The policy covers a claim first made against the insured during the policy period or any extended reporting period	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____
e. A professional liability policy provides for a contractual right of the insured to purchase at any time during the policy period and not less than thirty days after termination of an unlimited additional ERP	YES <input type="checkbox"/>	NO <input type="checkbox"/>		Form _____ Page _____ Para _____

CONNECTICUT INSURANCE DEPARTMENT

CLAIMS MADE

FORMS FILING CHECKLIST

COMPANY

TYPE OF INSURANCE

PAGE 2 OF 2

II. OTHER PROVISIONS (con't)

Form/Page/Para
Reference

- f. The company has included a Connecticut Amendatory Endorsement for cancellation, nonrenewal and claims made requirements with this filing YES ☐ NO ☐ Form _____
Page _____
Para _____
- g. A minimum of 90 days notice of cancellation and nonrenewal is provided for professional liability policies YES ☐ NO ☐ Form _____
Page _____
Para _____

III. MEDICAL MALPRACTICE POLICY - ADDITIONAL REQUIREMENTS

- a. Unlimited Additional ERP is available at no additional charge upon: YES ☐ NO ☐ Form _____
Page _____
Para _____
1. Death YES ☐ NO ☐ Form _____
Page _____
Para _____
2. Permanent Disability YES ☐ NO ☐ Form _____
Page _____
Para _____
3. Retirement at age 65 with 5 consecutive years of coverage with the same insurer YES ☐ NO ☐ Form _____
Page _____
Para _____
4. Retirement at age 62 with 10 consecutive years of coverage with the same insurer. YES ☐ NO ☐ Form _____
Page _____
Para _____
- b. The policy provides liability coverage for each person licensed to practice medicine and surgery (incl. locum Tenens, Chiropractors, Naturopaths, Podiatrists, Dental Hygienists, Optometrists, Dentists and Physical Therapists) with limits not less than \$500,000/\$1,500,000 **and** the limits are not shared limits YES ☐ NO ☐ Form _____
Page _____
Para _____

SERFF or State Tracking # for any/all related filings: _____

"Please explain any NO or N/A responses below in detail:

CONNECTICUT INSURANCE DEPARTMENT

CLAIMS-MADE POLICIES FORM FILING COMPLIANCE QUESTIONNAIRE

PAGE 1 OF 3

COMPANY ACE Group

Co. File No. 11-GL-2009337

TYPE OF INSURANCE Environmental Pollution Liability

(If Medical Malpractice, Also Attach Page 3)

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Connecticut rules and regulations {Conn. Agencies Reg. §38a-327-1 *et seq.*} and Connecticut General Statutes (“CGS”). Form, page and paragraph references that bring the submission into Compliance must be included (enter NA in this column if item is not applicable to the filing). Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.

I. EXTENDED REPORTING PERIOD (“ERP”) REQUIREMENTS

Form/Page/Para
Reference

a. Automatic ERP coverage is available

YES ☒

NO ☐

PF-31181 /8/Section
VIII

Length of Automatic ERP complies with Conn. Agencies Reg. §38a-327-3(b).

YES ☒

NO ☐

PF-31181 /8/Section
VIII

b. An Additional ERP coverage is made available for purchase to the named insured. Conn. Agencies Reg. §38a-327-3(d).(1)

YES ☒

NO ☐

PF-31181 /8/Section
VIII

Length of optional ERP complies with [Conn. Agencies Reg. §38a-327-3(d).(1)(6) (A)] ☐ or [Conn. Agencies Reg. §38a-327-3(d)(6) (B)] ☐ or [Conn. Agencies Reg. §38a-327-3(d).(6) (C)] ☐ (Check applicable)

YES ☒

NO ☐

/ /

c. Reinstatement of the Aggregate Liability Limit for ERP is available for purchase for a liability limit at least equal to the aggregate liability limit specified in the policy. [Conn. Agencies Reg. §38a-327-3 (f).(1) and (2)]:

YES ☐

NO ☒

/ /

1. Notice of Cancellations and Non Renewals: Policy provisions provide for an automatic ERP for 30-days upon termination of coverage. Conn. Agencies Reg. §38a-327-3 (b)

YES ☒

NO ☐

PF-31181 /8/Section
VIII

2. Termination of Coverage: The definition of “termination of coverage” meets the state requirements. Conn. Agencies Reg. §38a-327-1 (i)

YES ☒

NO ☐

/ /

d. ERP Coverages are available upon:

1. Termination by company {Conn. Agencies Reg. §38a-327-1 (i) (1)}

YES ☒

NO ☐

PF-31181 /8/Section
VIII

2. Termination by insured {Conn. Agencies Reg. §38a-327-1 (i) (1)}

YES ☒

NO ☐

PF-31181 /8/Section
VIII

3. Cancellation for nonpayment of premium.

YES ☒

NO ☐

See CT
Endorsement/ /

4. Reductions in coverage as defined in {Conn. Agencies Reg. §38a-327-1 (i) (2)}

YES ☐

NO ☐

/ /

e. Any provisions restricting ERP coverage?

YES ☒

NO ☐

PF-31181 /8/Section
VIII

f. Policy provides for notification of availability of additional ERP within proper time limit. Conn. Agencies Reg. §38a-327-3(d).(1)

YES ☒

NO ☐

PF-31181 /8/Section
VIII

g. Policy provides for notification and importance of availability of additional ERP within proper time limit. Conn. Agencies Reg. §38a-327-3 (d).(3)

YES ☒

NO ☐

PF-31181 /8/Section
VIII

h. The named insured is provided with the appropriate number of days to accept the additional ERP. Conn. Agencies Reg. §38a-327-3 (d) (4)

YES ☒

NO ☐

PF-31181 /8/Section
VIII

i. The premium for additional ERP is based on rates in effect on the later of the date the policy was issued or last renewed. Conn. Agencies Reg. §38a-327-3 (d) (5)

YES ☒

NO ☐

PF-31181 /8/Section
VIII

CONNECTICUT INSURANCE DEPARTMENT

CLAIMS-MADE POLICIES FORM FILING COMPLIANCE QUESTIONNAIRE

PAGE 2 OF 3

COMPANY ACE Group

TYPE OF INSURANCE Environmental Pollution Liability

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Connecticut rules and regulations {Conn. Agencies Reg. §38a-327-1 *et seq.*} and Connecticut General Statutes ("CGS"). Form, page and paragraph references that bring the submission into Compliance must be included (enter NA in this column if item is not applicable to the filing). Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.

II. NOTICE AND DISCLOSURE REQUIREMENTS

Form/Page/Para
Reference

- | | | | |
|--|---|--|--|
| <p>a. Pursuant to Conn. Agencies Reg. §38a-327-4, the first page of the policy and any certification (or addenda thereto) contain a conspicuous notice stating that the policy is written on a claims-made basis.</p> | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | See Policy Form, Dec Page and Application/ / |
| <p>b. Retroactive dates (consent): Once a retroactive date is established with an insured, the policy provides that it may be advanced only with the written consent of the named insured Conn. Agencies Reg. §38a-327-3 (a).</p> | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | / / |
| <p>c. Notice of Cancellations and Non Renewals: The Policy provides an automatic extended reporting period (ERP) for 30-days upon termination Conn. Agencies Reg. §38a-327-3 (b).</p> | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | PF-31181 /8/Section VIII |
| <p>d. An Additional Extended Reporting Period coverage is made available to the named insured not later than 30 days following the termination of coverage, including termination for non-payment of premium. Conn. Agencies Reg. §38a-327-3 (d) (1)</p> | YES <input type="checkbox"/> | NO <input type="checkbox"/> | / / |

III. OTHER PROVISIONS

- | | | | |
|---|---|--|-----------------------------|
| <p>a. The company has included a Connecticut Claims-Made Amendatory Endorsement with this filing.</p> | YES <input type="checkbox"/> | NO <input checked="" type="checkbox"/> | / / |
| <p>b. The company has included a Connecticut Cancellation and Nonrenewal Amendatory Endorsement with this filing.</p> | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | See CT Endorsement/ / |
| <p>c. Defense within limits: Must be outside limits except for D&O, E&O, & Professional Liability. Definition of "professional liability insurance" refer to CGS, §38a-393 (b).</p> | YES <input type="checkbox"/> | NO <input type="checkbox"/> | NA/ / |
| <p>d. The cost of the ERP is based on rates in effect on the later of the date when the policy was issued or last renewed, and the rates do not exceed 200%.</p> | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | PF-31181 /8/Section VIII |
| <p>e. The policy covers a claim first made against the insured during the policy period or any extended reporting period.</p> | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | See Claims-Made Language/ / |
| <p>f. If Definition of Insured includes civil unions. The policy must cover civil unions as recognized under Connecticut law.</p> | YES <input type="checkbox"/> | NO <input type="checkbox"/> | N/A/ / |
| <p>g. A provision for the purchase of prior acts coverage is available at issuance, {CGS §38a-394 (a) (1)}.</p> | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | See Application/ / |
| <p>h. The policy provides for a contractual right of the insured to purchase at any time during the policy period and not later than thirty days after termination of such policy period equivalent coverage for all claims occurring during an insured policy period regardless of when a claim is made, {CGS §38a-394 (a) (2)}.</p> | YES <input type="checkbox"/> | NO <input type="checkbox"/> | ???/ / |

IV. CANCELLATION AND NONRENEWAL PROVISIONS

- | | | | |
|---|---|-----------------------------|--------------------|
| <p>a. Notice of cancellation or nonrenewal will be mailed to the insured not the first named insured, {CGS §38a-323 and (CGS §38a-324)}.</p> | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | See Endorsement/ / |
| <p>b. Nonpayment of the Deductible or Retention is not considered as nonpayment of the premium.</p> | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> | / / |
| <p>c. A minimum of 90 days notice of cancellation and nonrenewal is provided for professional liability policies for those professional as defined under CGS §38a-393 (b)</p> | YES <input type="checkbox"/> | NO <input type="checkbox"/> | N/A/ / |

CONNECTICUT INSURANCE DEPARTMENT

CLAIMS-MADE POLICIES FORM FILING COMPLIANCE QUESTIONNAIRE

PAGE 3 OF 3

COMPANY ACE Group

TYPE OF INSURANCE Environmental Pollution Liability

Instructions: All applicable items must be answered. Responses in the shaded area indicate non-compliance with Connecticut rules and regulations {Conn. Agencies Reg. §38a-327-1 *et seq.*} and Connecticut General Statutes ("CGS"). Form, page and paragraph references that bring the submission into Compliance must be included (enter NA in this column if item is not applicable to the filing). Failure to complete all items, or responses in the shaded area, will result in this filing being returned without further review.

IV. MEDICAL MALPRACTICE POLICY
[Conn. Agencies Reg. §38a-327-1 *et seq.*]

Form/Page/Para
Reference

- a. Automatic ERP coverage is available.
- b. Unlimited Additional ERP is available at no additional charge upon:
{Conn. Agencies Reg. §38a-327-3(e)}.
- 1. Death;
- 2. Permanently Disabled
- 3. Retirement at age 65 with 5 consecutive years of coverage.
(with the same insurer)
- 4. Retirement at age 62 wit 10 consecutive years of
Coverage. (with the same insurer)
- c. Defense within limits: Must be outside limits.
- d. A provision for the purchase of prior acts coverage is available at
issuance, {CGS §38a-394 (a) (1)}.
- e. The policy provides for a contractual right of the insured to purchase at
any time during the policy period and not later than thirty days after
termination of such policy period equivalent coverage for all claims
occurring during an insured policy period regardless of when a claim is
made, {CGS §38a-394 (a) (2)}.
- f. The policy provides liability coverage for each person licensed to
practice medicine and surgery (Incl. Locum Tenens, Chiropractors,
Naturopaths, Podiatrist, Dental Hygienist, Optometrist, Dentist and
physical Therapist) with limits not less than \$500,000/\$1,500,000, and
the limits are not shared limits. {CGS §20-11b and §20-28b}.

YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
YES	<input type="checkbox"/>	NO	<input type="checkbox"/>
YES	<input type="checkbox"/>	NO	<input type="checkbox"/>

N/A/ /

N/A/ /

N/A/ /

N/A/ /

N/A/ /

N/A/ /

N/A/ /

N/A/ /

TANKSAFE FORMS LIST						
FORM NUMBER	TITLE	DESCRIPTION	Mandatory or Optional	Broadens, Restricts, or Clarifies	Rate Impact	
Policy Form, Declarations, Application						
PF 31181 (10/10)	ACE Tanksafe® Storage Tank Liability Insurance Policy	The main policy coverage part containing the main terms and conditions.	Mandatory	NA	Y	
PF 31179 (10/10)	ACE Tanksafe® Storage Tank Liability Insurance Policy - Declarations	Declarations page displays the applicable policy limits, premium and coverages.	Mandatory	NA	N	
PF 31408 (10/10)	ACE Tanksafe® Storage Tank Liability Insurance Policy - Application	Provides information about the insured applicant and the risk characteristics.	Mandatory	NA	N	
Endorsements						
PF 31154 (09/10)	SCHEDULE OF ADDITIONAL INSUREDS (BROAD)	Gives additional insured status to a broadly defined list of entities	Optional	Broadens	N/A	
PF 31155 (09/10)	SCHEDULE OF ADDITIONAL INSUREDS	Gives additional insured status to a scheduled list of entities	Optional	Broadens	N/A	
PF 31156 (09/10)	AST AGGREGATE SUBLIMIT OF LIABILITY	Establishes an aggregate sublimit for all policy above ground storage tanks	Optional	Clarifies	N/A	
PF 31157 (09/10)	AST TANK SPECIFIC AGGREGATE SUBLIMIT OF LIABILITY	Establishes an aggregate sublimit for scheduled above ground storage tanks	Optional	Clarifies	N/A	
PF 31158 (09/10)	AST TANK SPECIFIC SUBLIMITS OF LIABILITY	Establishes a per incident and aggregate sublimit for scheduled above ground storage tanks	Optional	Clarifies	N/A	
PF 31159 (09/10)	AST TANK SPECIFIC SUBLIMITS OF LIABILITY	Establishes a per incident (remediation cost), per incident (claims) and aggregate sublimit for scheduled above ground storage tanks	Optional	Clarifies	N/A	
PF 31160 (09/10)	BASIC EXTENDED REPORTING PERIOD AMENDATORY	Modifies the Basic Policy Extended Reporting Period to (60) days	Optional	Restricts	N/A	
PF 31161 (09/10)	CANCELLATION	Cancels policy	Optional	Clarifies	N/A	
PF 31162 (09/10)	CFR AMENDATORY	Modifies the associated policy certificate of financial responsibility language	Optional	Clarifies	N/A	
PF 31163 (09/10)	SCHEDULE OF COVERED STORAGE TANKS (ADDITIONAL PREMIUM)	Adds additional tanks to the policy post binding for additional premium	Optional	Broadens	Y	
PF 31164 (09/10)	SCHEDULE OF COVERED STORAGE TANKS	Modifies the policy tank schedule post binding (no premium adjustment)	Optional	Clarifies	N/A	
PF 31165 (09/10)	DECLARATIONS AMENDATORY (DEDUCTIBLE)	Edits the deductible on the DEC page	Optional	Clarifies	N/A	
PF 31166 (09/10)	DECLARATIONS AMENDATORY (FIRST NAMED INSURED)	Edits the First Named Insured on the DEC page	Optional	Clarifies	N/A	
PF 31167 (09/10)	DECLARATIONS AMENDATORY (LIMITS OF LIABILITY)	Edits the Limits of Liability on the DEC page	Optional	Clarifies	N/A	
PF 31168 (09/10)	DECLARATIONS AMENDATORY (POLICY PERIOD)	Edits the Policy Period on the DEC page	Optional	Clarifies	N/A	
PF 31169 (09/10)	DECLARATIONS AMENDATORY (RETROACTIVE DATE)	Edits the Retroactive Date on the DEC page	Optional	Clarifies	N/A	
PF 31170 (09/10)	EXTENDED REPORTING PERIOD CONFIRMATION (LOCATION SPECIFIC)	Enacts an Extended Reporting Period for a specific location	Optional	Clarifies	Y	
PF 31171 (09/10)	EXTENDED REPORTING PERIOD CONFIRMATION	Enacts the Extended Reporting Period upon policy cancellation or expiration	Optional	Clarifies	Y	
PF 31172 (09/10)	FINANCIAL RESPONSIBILITY CONDITIONS	Establishes conditions for Financial Responsibility	Optional	Clarifies	N/A	
PF 31173 (09/10)	FINES AND PENALTIES (PUNITIVE DAMAGES ALLOWABLE BY LAW)	Gives coverage back for Punitive Damages where allowable by law	Optional	Broadens	N/A	
PF 31174 (09/10)	LOADING AND UNLOADING COVERAGE (TIME ELEMENT)	Places (72) hour restriction regarding a storage tank incident associated with loading and unloading	Optional	Broadens	N/A	
PF 31175 (09/10)	SCHEDULE OF NAMED INSUREDS (BROAD)	Gives Named Insured status to a broadly defined list of entities	Optional	Broadens	N/A	
PF 31176 (09/10)	SCHEDULE OF NAMED INSUREDS	Gives Named Insured status to a scheduled list of entities	Optional	Broadens	N/A	
PF 31177 (09/10)	SCHEDULE OF REMOVED STORAGE TANKS	Removes tanks from tank schedule on a post bind basis	Optional	Clarifies	Y	
PF 31178 (09/10)	TANK CONTENTS AMENDATORY (BROADENING)	Broadens tank content from petroleum products to some other constituent	Optional	Clarifies	N/A	

TANKSAFE FORMS LIST						
FORM NUMBER		TITLE	DESCRIPTION	Mandatory or Optional	Broadens, Restricts, or Clarifies	Rate Impact
PF	31182 (09/10)	UST AGGREGATE SUBLIMIT OF LIABILITY	Establishes an aggregate sublimit for all policy underground storage tanks	Optional	Clarifies	N/A
PF	31183 (09/10)	UST SPECIFIC AGGREGATE SUBLIMIT OF LIABILITY	Establishes an aggregated sublimit for scheduled underground storage tanks	Optional	Clarifies	N/A
PF	31184 (09/10)	UST SPECIFIC SUBLIMITS OF LIABILITY (SEPARATED)	Establishes a per incident and aggregate sublimit for scheduled underground storage tanks	Optional	Clarifies	N/A
PF	31185 (09/10)	UST SPECIFIC SUBLIMITS OF LIABILITY	Establishes a per incident (remediation cost), per incident (claims) and aggregate sublimit for scheduled underground storage tanks	Optional	Clarifies	N/A
PF	23728 (01/08)	TERRORISM RISK INSURANCE ACT ENDORSEMENT	Grants TRIA coverage for those insured's who elect such	Mandatory	Broadens	N/A
State Amendatory Endorsements						
PF	31832 (09/10)	CONNECTICUT AMENDATORY ENDORSEMENT	Amends Definitions, Extended Reporting Period, and General Conditions to comply with state requirements	Mandatory in CT	Clarifies	N/A

State: Connecticut **Filing Company:** ACE American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability
Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Filing at a Glance

Company: ACE American Insurance Company
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability
State: Connecticut
TOI: 17.2 Other Liability-Claims Made Only
Sub-TOI: 17.2011 Environmental Pollution Liability
Filing Type: Rate/Rule
Date Submitted: 03/04/2011
SERFF Tr Num: ACEH-127056775
SERFF Status: Closed-Recorded Effective as Submitted
State Tr Num: 201180043
State Status: Recorded Effective as Submitted
Co Tr Num: 11-GL-2009337R
Effective Date: On Approval
Requested (New):
Effective Date: On Approval
Requested (Renewal):
Author(s): Bob Wolfrom, Mary Sindaco, Amy Katzen
Reviewer(s): Judith Thibodeau (primary)
Disposition Date: 07/29/2015
Disposition Status: Recorded Effective as Submitted
Effective Date (New): 06/17/2011
Effective Date (Renewal): 06/17/2011

State: Connecticut **Filing Company:** ACE American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability
Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

General Information

Project Name: Tank Safe Storage Tank Liability Insurance Policy Status of Filing in Domicile: Pending
Project Number: 11-GL-2009337 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 07/29/2015
State Status Changed: 07/29/2015 Deemer Date:
Created By: Mary Sindaco Submitted By: Mary Sindaco
Corresponding Filing Tracking Number:

Filing Description:

The ACE TankSafe® Storage Tank Liability policy provides coverage for third-party bodily injury and property damage resulting from pollution conditions emanating from scheduled tanks and corrective action due to releases from scheduled tanks. Coverage may be provided for Underground Storage Tanks, Aboveground Storage Tanks or both. Coverage is provided on a claims-made and reported basis. Defense costs are in addition to the policy limits and are subject to a separate Defense Cost Limit.

The rating methodology outlined in the filing is based on data developed via company experience and acquired institutional knowledge. The TankSafe Rating Manual describes the methodology utilized to develop an appropriate premium for the pollution coverage extension. The underwriter identifies the age/capacity of each covered tank and the ACE-developed model assigns the appropriate base rate for that tank. This pollution rate then is modified by credits and/or debits applicable to the tank's construction, overfill protection and location. Consideration is also given to the account's policy limits, deductible, retroactive coverage, claim history and optional policy enhancements.

To calculate the total premium for the policy, the individual premiums for each tank are first determined and then aggregated together. That premium is then modified based upon the policy limits, deductible, retroactive date(s), number of scheduled tanks and any additional coverage options. The total premium for all tanks at each facility is modified based on objective characteristics of that particular facility. Schedule rating is applied at the policy level contemplating individual risk characteristics that are not considered elsewhere.

Company and Contact

Filing Contact Information

Amy Katzen, Compliance Analyst amy.katzen@acegroup.com
ACE Group 302-476-6600 [Phone]
1 Beaver Valley Road
Wilmington, DE 19803

Filing Company Information

ACE American Insurance Company	CoCode: 22667	State of Domicile:
PO Box 1000	Group Code: 626	Pennsylvania
436 Walnut Street	Group Name:	Company Type:
Philadelphia, PA 19106	FEIN Number: 95-2371728	State ID Number:
(215) 640-5123 ext. [Phone]		

State: Connecticut **Filing Company:** ACE American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Polution Liability
Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Recorded Effective as Submitted	Judith Thibodeau	07/29/2015	07/29/2015

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Implementing under File & Use	Note To Reviewer	Amy Katzen	06/17/2011	06/17/2011

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Disposition

Disposition Date: 07/29/2015
Effective Date (New): 06/17/2011
Effective Date (Renewal): 06/17/2011
Status: Recorded Effective as Submitted

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
ACE American Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Independent Company Rate Filing Form		Yes
Supporting Document	Reference Filing Adoption Form		Yes
Supporting Document	Side-by-Side Comparison		Yes
Supporting Document	Summary of Supporting Information Form		Yes
Supporting Document	Rate/Rule Supporting Documentation		Yes
Rate	TankSafe Rating Manual		Yes
Rate	Schedule Rating State Max Appendix A		Yes

State: Connecticut **Filing Company:** ACE American Insurance Company
TOI/Sub-TOI: 17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability
Product Name: Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Polution Liability
Project Name/Number: Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337

Note To Reviewer

Created By:

Amy Katzen on 06/17/2011 01:07 PM

Last Edited By:

Amy Katzen

Submitted On:

06/17/2011 01:08 PM

Subject:

Implementing under File & Use

Comments:

As per Bulletin PC-62 we are implementing this filing effective 6/17/2011.

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Rate Information

Rate data applies to filing.

Filing Method:	Upon Approval
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	0.000%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	N/A

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
ACE American Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		TankSafe Rating Manual	Pages 1-5	New		TankSafe Rating Manual 2-11.pdf
2		Schedule Rating State Max Appendix A	Page 1	New		Schedule Rating State Max Appendix A.pdf

State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Polution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	Filing Memo - Rate.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Independent Company Rate Filing Form
Comments:	
Attachment(s):	CT icrf - Tanksafe II.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Reference Filing Adoption Form
Bypass Reason:	Not applicable for this filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Side-by-Side Comparison
Bypass Reason:	This is a new product; no revisions.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Summary of Supporting Information Form
Bypass Reason:	Not applicable for this filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Rate/Rule Supporting Documentation
Comments:	
Attachment(s):	Manual Table of Contents.pdf ACE Underground Storage Tank UW Guidelines Document.pdf TankSafe Rating Worksheets 2-11.pdf CT Profit 2009.pdf

SERFF Tracking #:	ACEH-127056775	State Tracking #:	201180043	Company Tracking #:	11-GL-2009337R
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State:	Connecticut	Filing Company:	ACE American Insurance Company
TOI/Sub-TOI:	17.2 Other Liability-Claims Made Only/17.2011 Environmental Pollution Liability		
Product Name:	Re: ACE American Ins. Co., 22667, 95-2371728; Our filing number 11-GL-2009337. 17.2011 Environmental Pollution Liability		
Project Name/Number:	Tank Safe Storage Tank Liability Insurance Policy/11-GL-2009337		

Item Status:	
Status Date:	

Appendix A: State Schedule Rating Limits

The table below lists the maximum available Schedule Rating credits/debits:

+/- 15%	+/- 25%		+25% / -40%	+/- 40%	+/- 50%	No Max	No Schedule Rating
GA***	AL	MI	SC	KS	IN	AK	HI*
NY	AR	MO		MD	KY	IL	NE**
	AZ	ND		ME	TN	LA	USVI
	CA	NJ		MN	VT	NC	
	CO	NM		MS		PR	
	CT	NV		MT		VA	
	DC	OH		NH		WI	
	DE	OR		OK		WV	
	FL	SD		PA		WY	
	IA	UT		RI			
	ID	WA		TX			
	MA						

*HI Schedule Rating is not available in this state and Step 10 is deleted.

** NE Schedule Rating not permitted per se, but law gives rating flexibility of +/-40%.

*** GA max is +/- 15%, unless total premiums collected are within +/- 5% of manual, then can +40% and -50%.

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COMMERCIAL GENERAL LIABILITY

RATING MANUAL - MULTISTATE

The ACE TankSafe® – Storage Tank Liability policy provides coverage for third-party bodily injury and property damage resulting from pollution conditions emanating from scheduled tanks and corrective action due to releases from scheduled tanks. Coverage may be provided for Underground Storage Tanks, Aboveground Storage Tanks or both. Coverage is provided on a claims-made and reported basis. Defense costs are in addition to the policy limits and are subject to a separate Defense Cost Limit.

To calculate the total premium for the policy, the individual premiums for each tank are first determined and then aggregated together. That premium is then modified based upon the policy limits, deductible, retroactive date(s), number of scheduled tanks and any additional coverage options. The total premium for all tanks at each facility is modified based on objective characteristics of that particular facility. Schedule rating is applied at the policy level contemplating individual risk characteristics that are not considered elsewhere.

A. Above Ground Storage Tank (AST) Premium Calculation

AST Base Rate Calculation

AST base rates are based on tank capacity due to the severity nature of the potential loss. Rates are based on limits of \$1,000,000 per Incident, \$1,000,000 Aggregate Limits of Liability and a \$5,000 deductible. The base rates are for claims-made coverage with policy inception as the retroactive date as follows:

<u>Capacity</u>	<u>Base Rate</u>
0 – 2,000 gallons	\$200
2,001 – 9,999 gallons	\$400
10,000 – 49,999 gallons	\$800
50,000 – 99,999 gal	\$1,600
100,000 – 249,999 gal	\$2,400
250,000 – 499,999 gal	\$3,200
500,000 – 999,999 gal	\$4,400
1,000,000 gallons	\$5,200

AST Objective Rating

The following adjustments to the base rate are applied based on the specific characteristics of each scheduled tank. The credit/debits are multiplicative.

<u>AST Date of Installation</u>	<u>Credit Factor</u>
0 to 15 Years	10% credit
16 to 40 Years	0% debit to base AST rate
41 Years or older	10% debit to base AST rate

AST Multiple Tank Credit Factors

To adjust for economies of scale, the total AST premium for all ASTs is reduced based upon the total number of covered ASTs

<u>Number of ASTs</u>	<u>Credit Factor</u>
0-2 ASTs	0% credit
3-10 ASTs	15% credit
11-15 ASTs	20% credit
16-20 ASTs	25% credit
21 or more ASTs	30% credit

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B. Underground Storage Tank (UST) Premium Calculation

UST Base Rate Calculation

UST base rates are based on the age of the tank due to the gradual and increasing nature of loss potential over time. The UST base rate per tank is \$300 for a UST installed within zero (0) to four (4) years and \$316 for a UST installed within five (5) years of coverage inception. An additional premium charge of \$76 is added to the base premium each year thereafter. Rates are based on limits of \$1,000,000 per Incident, \$1,000,000 Aggregate Limits of Liability and a \$5,000 deductible.

<u>UST Date of Installation</u>	<u>Base Rate</u>
0-4 years old	\$300 base rate per tank
5 years old	\$316 base rate per tank
6 years old	\$392 base rate per tank
7 years old	\$468 base rate per tank
8 years old	\$544 base rate per tank
9 years old	\$620 base rate per tank
10 years old	\$696 base rate per tank
Plus \$76 per year based on age of UST	

Tank Construction

The base rate is adjusted based on the UST construction. These are mutually exclusive factors.

<u>Type of UST</u>	<u>Credit Factor</u>
Double Walled Tank	50% credit
Fiberglass/Clad Steel Tank	20% credit
Bare Steel Tank	0% credit

UST Multiple Tank Credit Factors

To adjust for economies of scale, the total UST premium for all USTs is reduced based upon the total number of covered USTs.

<u>Number of USTs</u>	<u>Credit Factor</u>
0-9 USTs	0% credit
10-19 USTs	5% credit
20 to 49 USTs	15% credit
50 to 74 USTs	20% credit
75 to 100 USTs	30% credit
101 to 200 USTs	40% credit
201 to 300 USTs	50% credit
301 or more USTs	60% credit

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C. Schedule Rating

The rates for the tanks may be modified in accordance with the following schedule rating table.

The Facility evaluations are performed based on the characteristics and experience of the individual facility, while the Insured evaluation is performed based on the characteristics of the overall management responsible for all facilities to be insured. All debits/credits are aggregated and applied to the total premium for all tanks.

Facility Characteristics	Range*
Is the UST/AST(s) located at a Marina or is the AST(s) located at an Airport?	0 - 25% Debit
Is there prior contamination at the facility?	0 - 25% Debit
Is the UST/AST larger than 30,000 gallons for USTs and 2,000,000 gallons for ASTs?	0 - 25% Debit
Is the UST/AST non-regulated and/or does it contain non-petroleum based product (ie, propane, kerosene, etc.)?	0 - 25% Debit
Is loading & unloading coverage included?	0 - 10% Debit
Does the UST/AST contain ethanol-based fuel? (Must receive permit from state that tank is equipped to store ethanol.)	0 - 25% Debit
Is the UST/AST more than 50 years old?	0 - 10% Debit
What type of leak detection is present at the facility? (Range from -10% credit for automatic gaging to +10% debit for earthen diking)	-10% Credit - +10% Debit
Insured Characteristic	Range*
Does the insured practice sound risk management?	-25% Credit - +25% Debit

*See Appendix A for the maximum credits or debits permitted by state.

D. Claims-Made Coverage

Retroactive Date

The base rates provide for claims-made coverage with a retroactive date as of policy inception, but the rating plan contemplates application of individual tank retroactive dates equal to or later than the installation date of each tank. For this coverage, an additional 5% per year of the premium for the specific UST/AST as calculated in Parts A, B and C above is charged.

Extended Reporting Period

Basic and optional supplemental extended reporting periods are both made available under the policy.

Provided the insured has not purchased any other insurance after the expiration of the policy, a one hundred and eighty (180) day basic extended reporting period is provided without additional charge.

The policy also provides an optional supplemental extended reporting period of up to thirty (30) months for not more than two hundred percent (200%) of the total premium. The premium structure is as follows: 85% for the first twelve (12) months, 70% for second (12) months and 45% for last six (6) months of the optional supplemental ERP.

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E. Deductible Factors

A minimum deductible of \$2,500 applies. The base rates contemplate a \$5,000 deductible. The policy premium is adjusted based on the selected deductible amount by applying the applicable Deductible Factors shown below.

<u>Deductible Amount</u>	<u>Deductible Factor</u>
\$2,500	1.10 (10%)
\$5,000	1.0 Base Deductible (0%)
\$10,000	0.85 (15%)
\$25,000	0.68 (32%)
\$50,000	0.5916 (40.84%)
\$100,000	0.51765 (48.235%)
\$250,000	0.44 (56%)
\$500,000	0.352 (64.80%)
\$1,000,000	0.28 (72%)

F. Increased Limit Factors

The minimum limits of liability for this program are \$500,000 per Incident and 1,000,000 Aggregate. The base rates contemplate limits of \$1,000,000 per Incident and \$1,000,000 Aggregate.

The base rate limits are increased to the selected coverage limits by applying the factor to the policy premium.

<u>Limit (per/agg)</u>	<u>Increased Limits Factor</u>
\$500,000/\$1,000,000	0.750
\$1,000,000/\$1,000,000	1.000 (Base Limits)
\$1,000,000/\$2,000,000	1.075
\$1,000,000/\$3,000,000	1.156
\$1,000,000/\$4,000,000	1.242
\$1,000,000/\$5,000,000	1.335
\$1,000,000/\$6,000,000	1.436
\$1,000,000/\$7,000,000	1.543
\$1,000,000/\$8,000,000	1.659
\$1,000,000/\$9,000,000	1.783
\$1,000,000/\$10,000,000	1.917
\$2,000,000/\$2,000,000	1.361
\$2,000,000/\$3,000,000	1.411
\$2,000,000/\$4,000,000	1.463
\$2,000,000/\$5,000,000	1.517
\$2,000,000/\$6,000,000	1.573
\$2,000,000/\$8,000,000	1.691
\$2,000,000/\$10,000,000	1.818
\$2,000,000/\$12,000,000	1.954
\$2,000,000/\$14,000,000	2.101
\$2,000,000/\$16,000,000	2.258
\$2,000,000/\$18,000,000	2.428
\$2,000,000/\$20,000,000	2.610
\$3,000,000/\$3,000,000	1.630
\$3,000,000/\$5,000,000	1.711
\$3,000,000/\$6,000,000	1.812
\$3,000,000/\$10,000,000	1.930

\$4,000,000/\$4,000,000 1.853

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RATING MANUAL - MULTISTATE

(continued)

<u>Limit (per/agg)</u>	<u>Increased Limits Factor</u>
\$4,000,000/\$5,000,000	1.887
\$4,000,000/\$10,000,000	2.066
\$5,000,000/\$5,000,000	2.047
\$5,000,000/\$10,000,000	2.200
\$10,000,000/\$10,000,000	2.672
\$10,000,000/\$20,000,000	2.992
\$20,000,000/\$20,000,000	3.922
\$25,000,000/\$25,000,000	4.547

**When rating a policy that provides coverage for both USTs & ASTs under one form for financial assurance purposes, separate limits must be dedicated to each tank type in order to satisfy state regulations. Therefore, the rating must reflect the TOTAL POLICY AGGREGATE limit in order to adequately price for the individual UST and AST limits.*

G. Minimum Premium

The minimum premium charge will be \$350 (including coverage for Certified Acts of Terrorism).

H. Policy Term

Policies will be issued for terms up to five (5) years. However, most policies will be issued for one (1) year policy periods.

<u>Policy Term</u>	<u>Multi-Year Factor</u>
One (1) Year	1.00
Two (2) Years	1.70
Three (3) Years	2.25
Four (4) Years	2.80
Five (5) Years	3.25

I. Certified Acts of Terrorism Coverage

The insured is provided the option of purchasing coverage under the Terrorism Risk Insurance Act. An additional 5% of the total premium is charged for acceptance of this coverage.

ACE Underground Storage Tank – Underwriting Guidelines

Any guidelines set forth in this section shall apply solely with respect to Storage Tank policies

1. Risk Guidelines

Given the nature of the storage tank insurance business, the class of business we are seeking to underwrite broadly includes all regulated storage tanks. There are no other particular business classification limitations for this book of business. The pricing model should accurately allow the underwriter to price the risk, primarily based on the age and construction of the storage tank, as well as the limits and retention sought by the insured. The model also allows for limited subjective credits or debits, giving the underwriter guided flexibility with respect to pricing based on overall risk analysis, loss, history, and an engineering evaluation of the insured's approach to managing their storage tank program, while still maintaining range limitations to protect against excessive, inadequate, or unfairly discriminatory rates.

2. Indication/Quotation/Binder

All conditional quotations, quotations, and binder shall follow the general guidelines set forth with the following notes/exceptions:

“Critical items” required prior to binding include:

- Signed, completed ACE application (see below)
- A Storage Tank Inventory Schedule
- Tank integrity information (as detailed below)
- Written direction to bind from the broker

Any deviation from this list must be approved by AER Senior Management.

3. Tank Integrity Information

All quotations must be subject to receipt and review of tank integrity documentation, prior to binding. Tank integrity documentation can include tank tightness test results that are less than 24 months old or electronic monitoring reconciliation reports. For large accounts, where the tank integrity information may be contained in a spreadsheet format, actual test result documentation is not required, so long as the spreadsheet is part of the application, or otherwise warranted as accurate by the insured.

4. TankSafe Application

The Ace TankSafe Application is a two part document: the application itself and a Storage Tank Inventory – By Location schedule. The underwriters should make every effort to get the Ace application completed and signed prior to binding; however, given the nature of this business, and the time and effort that an insured puts into completing a UST application and schedule, if the insured has completed a comparable application for another carrier, that application will be acceptable, if

accompanied by a modified “no known loss” letter that also makes specific reference to the other carrier’s application and incorporates, by reference, that application to the ACE Policy. AER Legal should be consulted whenever this modified “no known loss” letter is to be utilized.

5. Engineering Review

Standard accounts will not require review by Engineering; however, accounts with more than 50 total tanks or with a substantial number of tanks at any single location should be reviewed by Engineering and outside engineering should be considered. Any other non-standard tank risk should be addressed with Engineering Services and outside engineering should be considered.

6. Financial Analysis

The storage tank line of business utilizes a deductible, as opposed to retention; thus, financial analysis requires additional scrutiny. As with any submission, storage tank submission will be reviewed for credit risk.


7. Underwriting Report

In view of the fact that the storage tank business is a high transaction volume line of coverage, the underwriting input into evaluating and pricing each risk is driven primarily by the pricing model itself, with little room for variance. The exception to that are the subjective areas detailed in the model below, which generally allow for limited price increases or reductions based on narrow subjective categories. The primary drivers for pricing are the age of the tank and the tank construction and the underwriters should generally not deviate from that formula. Deviations outside of the model should only be made with the approval of AER Senior Management.

In light of the foregoing, the underwriting report for the storage tank business has been simplified in the TankSafe Underwriting Report. All storage tank policies should have this reported completed, with the appropriate authority sign-offs, prior to binding coverage.

CONNECTICUT APPENDIX 3
INSURANCE COMPANY RATE FILING FORM
INDEPENDENT COMMERCIAL RATE FILING

1.	Insurer Name:	ACE American Insurance Company		
	Group Name:	ACE Group		
	Address	436 Walnut Street		
	City	Philadelphia, PA		
	ZIP Code	19106		
2.	NAIC Group Number	0626		
3.	NAIC Company Number	22667		
4.	Line/subline of insurance: (Check one)			
	Fire/Allied		Comm. Auto Liability	
	CMP-Pro ert		Comm. Auto P.D.	
	CMP-Liability		Fidelity/Surety	
	Businessowners		Medical Malpractice	
	Inland Marine		Workers' Compensation	
	Products Liability	x	Other Liability	
5.	Organization (Check One)	The company is a member or subscriber of the following organization for this line of business:		
	ISO <input type="checkbox"/>	NCCI <input type="checkbox"/>	AAIS <input type="checkbox"/>	SAA <input type="checkbox"/>
	Other (name)			
6.	Proposed Effective Date	New business		
		Renewal business		
7.	Estimated Company Rate Level Change (%)		New Program	
8.	Prior Company Rate Level Change (%)			
9.	Estimated Company Connecticut Market Share (%)			
10.	Connecticut Page 15 Annual Statement LOB Experience - Most Recent 3 Years	Earned Premium	Incurred Losses	Loss Ratio Incurred/Earned
	2009	41,011,990.00	13,611,546.00	0.332
	2008	40,596,531.00	29,811,535.00	0.734
	2007	43,499,875.00	33,315,905.00	0.766
	Total Three Years	125,108,396.00	76,738,986.00	0.613
11.	Selected Expense Provisions in Loss Cost Adjustment Modifier:			
	A	Commissions	15.0%	
	B	Other Acquisition Expense	2.6%	
	C	General Expense	3.9%	
	D	Taxes, Licenses & Fees	2.0%	
	E	Profit & Contingencies	0.3%	
	F	Other (Explain)		
	G	Total	23.8%	

12.	Multiple Company Filing		
Company Name:		NAIC Number	
ACE American Insurance Company		22667	
13.	Company Employee Responsible for filing:		Amy Katzen
	Title	Assoc. Product Line Manager	
	Telephone Number	215.640.4776	
	Fax Number		
	E-mail Address	amy.katzen@acegroup.com	
	Signed:		

[illegible]

Other Liability - Claims Made
Development of Expense Provisions and Permissible Loss Ratio
ACE Consolidated

Direct IEE Data in (000) - ACE Consolidated					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Total</u>	
(1) Written Premium	2,657,014	2,281,985	2,248,615	7,187,614	
(2) Earned Premium	2,674,252	2,346,499	2,295,203	7,315,954	
(3) Commission & Brokerage Fees	217,696	191,334	173,915	582,945	
(4) Other Acquisition Expense	60,468	54,719	76,160	191,347	
(5) General Expense	99,663	85,775	96,677	282,115	
(6) Taxes, Licenses, and Fees	53,738	41,569	50,594	145,901	
(7) Unallocated LAE	174,377	100,486	94,263	369,126	
(8) Allocated LAE	164,412	323,399	92,795	580,606	
				<u>Average</u>	<u>Selected</u>
(3)/(1) Commission & Brokerage Fees	8.2%	8.4%	7.7%	8.1%	15.0%
(4)/(2) <u>Other Acquisition Expense</u>	2.3%	2.3%	3.3%	2.6%	<u>2.6%</u>
Total Production Expense					17.6%
(5)/(2) General Expense	3.7%	3.7%	4.2%	3.9%	3.9%
(6)/(1) Taxes, Licenses, and Fees	2.0%	1.8%	2.3%	2.0%	2.0%
(7)/(2) Unallocated LAE	6.5%	4.3%	4.1%	5.0%	N/A
(8)/(2) Allocated LAE	6.1%	13.8%	4.0%	7.9%	N/A
Expense Provision					23.47%
Pre Tax Profit Provision - Target					22.6%
<u>Investment Income Recognition</u>					<u>-22.3%</u>
Pre Tax Profit Provision - Net of Inv Inc					0.3%
Permissible Loss and LAE Ratio					76.2%
					1.313

ACE
Other Liability - Claims Made
Estimated Investment Earnings

A. Unearned Premium Reserve			
A1.	Direct Earned Premium (for this line, from the IEE)	CY = 2009	2,295,203,000
A2.	Mean Unearned Premium Reserve	(Sheet 2)	1,111,229,489
A3.	Deduction for Prepaid Expenses	(Exhibit 1 Sheet 1)	
	a.) Commission and Brokerage Expense		15.0%
	b.) 50% of Other Acquisition Expense		1.3%
	c.) 50% of General Expense		1.9%
	d.) Taxes, Licenses, and Fees		2.0%
	e.) Profit and Contingencies		22.6%
	f.) Total Prepaid Expense		42.8%
A4.	Deduction for Federal Income Tax Payable	(Exhibit 2 Sheet 2)	7.0%
A5.	Net Subject to Investment	[A2 x (1.0 - A3f - A4)]	557,422,302
B. Delayed Remission of Premium (Agent's Balances)			
B1.	Direct Earned Premium (for this line, from the IEE)		2,295,203,000
B2.	Ratio, Agents Uncoll Prem Balances to Dir Earned Prem	(Exhibit 2 Sheet 2)	29.1%
B3.	Delayed Remission	[B1 x B2]	667,102,369
C. Loss Reserve			
C1.	Direct Earned Premium (for this line, from the IEE)		2,295,203,000
C2.	Expected Loss and LAE Incurred	[C1 x ELR on Exhibit 2 Sheet 3]	1,237,730,531
C3.	Expected Mean Loss Reserve	[C2 x After Tax Reserve Ratio on Exhibit 2 Sheet 3]	6,407,350,451
D.	Reserve Funds Subject to Investment	[A5 - B3 + C3]	6,297,670,384
E.	Average Rate of Return on Investments - After FIT	(Sheet 5)	3.2%
F.	Investment Earnings on Reserve Funds - After FIT	[D x E]	199,132,564
G.	Investment Earnings on Reserve Funds as a % of Premium - After FIT	[F / A1]	8.68%
H.	Investment Earnings on Reserve Funds as a % of Premium - Before FIT	[G / .65]	13.35%
I.	P/S - Premium to Surplus Ratio	(Sheet 6)	0.688
J.	E/S - Equity to Surplus Ratio	(Sheet 6)	1.260
K.	Surplus Funds Subject to Investment	[A1 / I]	3,336,811,310
L.	Equity Funds Subject to Investment	[K x J]	4,204,143,062
M.	Investment Earnings on Equity Funds - After FIT	[L x E]	132,935,154
N.	Investment Earnings on Equity Funds as % of Premium - After FIT	[M / A1]	5.8%
O.	Investment Earnings on Equity Funds as % of Premium - Before FIT	[N / .65]	8.9%
P.	Target Total Return as % of Equity - After FIT	(Sheet 7)	8.0%
Q.	Target Total Return as % of Premium - After FIT	[P x J / I]	14.7%
R.	Target Total Return as % of Premium - Before FIT	[Q / .65]	22.6%
S.	Target UW Profit as % Premium - Net of all II - After FIT	[Q - G - N]	0.2%
T.	Target UW Profit as % Premium - Net of all II - Before FIT	[S / .65]	0.3%

ACE
Other Liability - Claims Made
Explanatory Notes
Estimated Investment Earnings On Unearned
Premium Reserves And Loss Reserves

Line A2

The mean unearned premium reserve is determined by multiplying the direct earned premium in line A1 by the ratio of the mean unearned premium reserve to the direct earned premium for the above

		<u>IEE Amount For the Above Line</u>
1)	Direct Earned Premium CY = 2009	2,295,203,000
2)	Direct Unearned Premium Reserve as of 12 / 31 / 2009	1,087,936,000
3)	Direct Unearned Premium Reserve as of 12 / 31 / 2008	1,134,522,977
4)	Mean Unearned Premium Reserve: $.5 \times [(2) + (3)]$	1,111,229,489

Line A4

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. The effective tax rate on UPR is calculated as follows:

Corporate Tax Rate	35.0%
Portion of Unearned Premium Taxable under TRA 1986	20.0%
Effective Tax Rate on Unearned Premium Reserve	7.0%

Line B2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus. The ratio of agents' uncollected premium balances to net earned premium is calculated as follows:

		<u>ACE Consolidated Ann Statement Amt</u>
1	Net Earned Premium - Total All Lines CY = 2009	3,571,539,667
2	Net Agent's Balances (Net Admitted) as of 12 / 31 / 2009	1,039,001,254
3	Net Agent's Balances (Net Admitted) as of 12 / 31 / 2008	1,037,139,788
4	Ratio: $[(2) + (3)] / [2.0 \times (1)]$	0.291

ACE
Other Liability - Claims Made

Explanatory Notes
Estimated Investment Earnings On Unearned
Premium Reserves And Loss Reserves

Line C2

The expected loss and loss adjustment expense incurred is determined by multiplying the direct earned premium by the expected loss and loss adjustment expense ratio determined below.

1 General Expenses	(Exhibit 1 Sheet 1)	3.86%
2 Commission and Brokerage Expenses		15.00%
3 Other Acquisition Expenses		2.62%
4 Taxes, Licenses, & Fees		2.00%
5 <u>Profit & Contingencies</u>		<u>22.60%</u>
6 Total Expense Ratio:		46.07%
7 Expected Loss and LAE Ratio: 1.00 - (6)		53.93%
8 Direct Earned Premium	Cal Yr 2009	2,295,203,000
9 Expected Loss and LAE Incurred (7) x (8)	Cal Yr 2009	1,237,730,531

Line C3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line C2 by the IEE ratio of the mean loss and loss adjustment expense reserves to the loss and loss adjustment expense incurred in the last 2 calendar years for the above named line of business. This ratio, which includes an adjustment for the estimated Federal Income Tax payable due to discounting of loss reserves, as required by the Tax Reform Act of 1986, is based on the following:

		<u>IEE Amount for the Above Line</u>
1 Direct Loss and Loss Adjustment Expense Incurred	Cal Yr 2009	1,561,189,000
2 Direct Loss and Loss Adjustment Expense Incurred	Cal Yr 2008	1,372,490,539
3 Direct Loss and Loss Adjustment Expense Reserves	Year End 2009	7,787,481,000
4 Direct Loss and Loss Adjustment Expense Reserves	Year End 2008	7,693,638,225
5 Direct Loss and Loss Adjustment Expense Reserves	Year End 2007	8,102,355,683
6 Mean Loss and Loss Adjustment Expense Reserve	Cal Yr 2009	7,740,559,613
7 Mean Loss and Loss Adjustment Expense Reserve	Cal Yr 2008	7,897,996,954
8 Pre Tax Reserve Ratio: (6) / (1)		4.958
9 Pre Tax Reserve Ratio: (7) / (2)		5.755
10 Mean Pre Tax Reserve Ratio: 0.5 x [(8) + (9)]		5.356
11 Estimated Reserve Discount - Sheet 4		0.096
12 Federal Taxes (ratio to reserves): (11) x 0.35		0.034
13 After Tax Reserve Ratio (10) x [1.0 - (12)]		5.177

ACE Consolidated - Annual Statement - Schedule P
Other Liability - Claims Made
Calculation of Reserve Discount
Data in (000's)

	(1)	(2)
	Net	Reserve
	Loss	Discount
	& Expense	
<u>Year</u>	<u>Unpaid</u>	<u>Factor</u>
Prior	45,505	0.96568
2000	876	0.94798
2001	4,363	0.93015
2002	24,613	0.93232
2003	43,436	0.91139
2004	56,601	0.91429
2005	96,347	0.91119
2006	147,475	0.90633
2007	138,852	0.91006
2008	203,736	0.90428
2009	<u>320,367</u>	<u>0.88437</u>
	1,082,171	0.90419 = Average
		0.09581 = 1.00 - Average

(1) ACE Consolidated Annual Statement, Schedule P, Part 1, Column 24

(2) Internal Revenue Bulletin 2008-49, December 8, 2008

ACE Consolidated
Calculation of Average After Tax Rate of Return
2009

	(1) Average of Latest 2 Year Ends Asset Value	(2) Interest & Dividend Income	(3) Net Interest and Dividends (2) x (1 + a)	(4) Pre-Tax Return (3)/(1)	(5) Federal Tax Rate	(6) Federal Tax (3)x(5)	(7) After Tax Return ((3)-(6))/(1)
Assets Available for Investment							
Cash & Short Term Invested Assets	695,142,384	3,742,065	3,767,628	0.5%	35%	1,318,670	0.4%
Bonds							
Tax Exempt		74,852,227	75,363,556		2.4% (b)	1,839,813	
Taxable		637,146,826	641,499,290		35.0%	224,524,751	
Total	13,368,678,286	711,999,053	716,862,846	5.4%		226,364,564	3.7%
Affiliated Stock at Fair Value							
Preferred	0	0	0		0.0%	0	
Common	0	0	0		0.0%	0	
Total	0	0	0	0	0.0%	0	0.0%
Unaffiliated Stock at Fair Value							
Preferred	222,400,414	5,303,984	5,340,216		14.2% (c)	756,976	
Common	365,242,794	5,884,112	5,924,307		14.2%	839,771	
Total	587,643,207	11,188,096	11,264,524	1.9%		1,596,746	1.6%
Mortgage Loans on Real Estate	0	0	0	0	35.0%	0	0.0%
Real Estate	94,630,684	0	0	0.0%	35.0%	0	0.0%
Contract Loans	0	0	0	0	35.0%	0	0.0%
A/O Inv. Assets	1,150,603,544	59,818	60,227	0.0%	35.0%	21,079	0.0%
Total	15,896,698,104	726,989,032	731,955,224	4.6%	31.3%	229,301,060	3.2%

769106664
728,159,914

NOTES:

a. Investment Expenses and Write-ins for Investment Income of apply uniformly to all items of income.

	Total Interest and Dividend Income (excluding Write-ins & Expenses):	726,989,032
PLUS	Write-ins for Investment Income:	40,946,750
LESS	Investment Expenses & Real Estate Depreciation:	35,980,558
	Total Net Investment Income (incl. Write-ins, Net of Investment Expenses):	731,955,224
	Write-ins / Expense Multiplier:	(a) = 0.7%

b. 46.5% of the income on tax-exempt bonds is subject to proration; that is, 15% of that income is taxed at a full corporate rate of 35%.
The applicable tax rate is therefore: $2.4\% = [.465 \times .15 \times .35]$

c. For domestic corporations, 30% of dividend income from unaffiliated stocks is taxed as ordinary income at a full corporate rate of 35%.
and 100% is subject to proration, so that 15% of the remaining 70% is taxed as ordinary income at a full corporate rate of 35%.
The applicable tax rate is therefore: $14.2\% = [(0.30 \times 0.35) + (0.70 \times 0.15 \times 0.35) + (0.70 \times .85 \times 0.00)]$

**ACE Consolidated
EXPLANATORY NOTES
FOR RETURN ON EQUITY CALCULATION**

Line I Premium to Surplus Ratio

Surplus was determined by dividing the premium in Line A1 by a premium to surplus ratio.
The calculation of the premium to surplus ratio is as follows:

	2009
	<u>All Lines</u>
A/S Net Written Premium	3,571,539,667
A/S Surplus as Regards Policyholders	5,192,374,685
 A/S Premium to Surplus Ratio	 0.688

Line J Equity to Surplus Ratio

Equity was determined by applying an equity to surplus ratio to the surplus in Line K.
The calculation of the equity to surplus is as follows:

		2009
		<u>Year End</u>
	ACE Consolidated	5,192,374,685
	<u>ACE Ins. Co. Puerto Rico (preliminary)</u>	<u>27,795,157</u>
SAP Surplus:	ACE Consolidated ex PR and International	5,164,579,528
 GAP Equity:	 ACE Consolidated ex PR and International (preliminary)	 6,507,000,000
	Equity to Surplus Ratio	1.260

ACE
EXPLANATORY NOTES
FOR RETURN ON EQUITY CALCULATION

Line P.

	Return on
<u>Year</u>	<u>Equity</u>
1997	13.0%
1998	9.6%
1999	6.6%
2000	6.3%
2001	-2.2%
2002	3.1%
2003	9.7%
2004	10.7%
2005	11.6%
2006	14.4%
2007	12.6%
2008	0.7%
Average	8.0%
Selected	8.0%

Note: The source for the historical industry Returns on Equity is
Net Income / Average Policyholder Surplus from:

1997 - 2000	
2001-2008	Standard & Poor's Industry Surveys Best's Aggregates and Averages - QAR

**ACE AMERICAN INSURANCE COMPANY
COMMERCIAL GENERAL LIABILITY
ACE TankSafe® - STORAGE TANK LIABILITY INSURANCE PROGRAM
EXPLANATORY MEMO – RATING MANUAL**

The ACE TankSafe® – Storage Tank Liability policy provides coverage for third-party bodily injury and property damage resulting from pollution conditions emanating from scheduled tanks and corrective action due to releases from scheduled tanks. Coverage may be provided for Underground Storage Tanks, Aboveground Storage Tanks or both. Coverage is provided on a claims-made and reported basis. Defense costs are in addition to the policy limits and are subject to a separate Defense Cost Limit.

The rating methodology outlined in the filing is based on data developed via company experience and acquired institutional knowledge. The TankSafe Rating Manual describes the methodology utilized to develop an appropriate premium for the pollution coverage extension. The underwriter identifies the age/capacity of each covered tank and the ACE-developed model assigns the appropriate base rate for that tank. This pollution rate then is modified by credits and/or debits applicable to the tank's construction, overfill protection and location. Consideration is also given to the account's policy limits, deductible, retroactive coverage, claim history and optional policy enhancements.

To calculate the total premium for the policy, the individual premiums for each tank are first determined and then aggregated together. That premium is then modified based upon the policy limits, deductible, retroactive date(s), number of scheduled tanks and any additional coverage options. The total premium for all tanks at each facility is modified based on objective characteristics of that particular facility. Schedule rating is applied at the policy level contemplating individual risk characteristics that are not considered elsewhere.

ACE AMERICAN INSURANCE COMPANY
ACE TankSafe® - Storage Tank Liability Insurance Program
Company Manual
Table of Contents

RATING MANUAL

A. Above Ground Storage Tank (AST) Premium Calculation	Pg - 1
B. Underground Storage Tank (UST) Premium Calculation	Pg - 2
C. Schedule Rating	Pg - 3
D. Claims-Made Coverage.....	Pg - 3
E. Deductible Factors.....	Pg - 4
F. Increased Limit Factors	Pg - 4
G. Minimum Premium	Pg - 5
H. Policy Term	Pg - 5
I. Certified Acts of Terrorism	Pg - 5

NAMED INSURED
UNDERWRITER
INCEPTION DATE

Limits	\$1MM / \$1MM	1.000
Deductible	\$10,000	0.85000
Defense	0%	
Debits / Credits	0%	

*When rating a policy with split UST vs AST limits, RATE ON THE TOTAL AGGREGATE LIMIT.

*See "Rating Limits" tab when using admitted (AAIC) paper

Tank	Count	Total	Average
Underground			
Above Ground			

*Average Price Per Tank

Total Premium	0	\$	-
----------------------	---	----	---

TRIA Premium	\$	-
Grand Total Premium	\$	-

Extended Reporting Period	
Up to 34 Months	0
Up to 200% of Premium	0%
ERP Premium	\$0
	\$0

*85% for 1st year, 70% for 2nd years, 45% for last 6 months

*Exclusive of TRIA Premium

*Inclusive of TRIA Premium

Multi-Year Policy Term		
Term	1	1.000
Multi-Year Premium		\$0
		\$0

*Exclusive of TRIA Premium

*Inclusive of TRIA Premium

- Credits / Debits

Item	Range	Debit / Credit %	Underwriting Rationale
Is the UST/AST(s) located at a Marina or is the AST(s) located at an Airport?	0 - 25% Debit	0%	
Is there prior contamination at the facility?	0 - 25% Debit	0%	
Is the UST/AST larger than 30,000 gallons for USTs and 2,000,000 gallons for ASTs?	0 - 25% Debit	0%	
Is the UST/AST non-regulated and/or does it contain non-petroleum based product (ie, propane, kerosene, etc.)?	0 - 25% Debit	0%	
Is loading & unloading coverage included?	0 - 10% Debit	0%	
Does the UST/AST contain ethanol-based fuel? (Must receive permit from state that tank is equipped to store ethanol.)	0 - 25% Debit	0%	
Is the UST/AST more than 50 years old?	0 - 10% Debit	0%	
What type of leak detection is present at the facility? (Range from -10% credit for automatic gaging to +10% debit for earthen diking)	-10% Credit - +10% Debit	0%	
Does the insured practice sound risk management?	-25% Credit - +25% Debit	0%	
Total Debit / Credit Percentage	*****	0%	
*****Please refer to the "State Schedule Rating Limits" tab for guidance on minimum and maximum debits per state writing using admitted (AAIC) paper.			

ONLY FOR USE WITH ADMITTED (AAIC) POLICIES:

State Schedule Rating Limits

The table below lists the maximum available Schedule Rating credit/de

+/- 15%	+/- 25%		+25% / -40%	+/- 40%	+/- 50%
GA***	AL	MI	SC	KS	IN
NY	AR	MO		MD	KY
	AZ	ND		ME	TN
	CA	NJ		MN	VT
	CO	NM		MS	
	CT	NV		MT	
	DC	OH		NH	
	DE	OR		OK	
	FL	SD		PA	
	IA	UT		RI	
	ID	WA		TX	
	MA				

*HI Schedule Rating is not available in this state and Step 10 is delete

** NE Schedule Rating not permitted per se, but law gives rating flexib

*** GA max is +/- 15%, unless total premiums collected are within +/- 5

ebits:

No Max	No Schedule Rating
AK	HI*
IL	NE**
LA	USVI
NC	
PR	
VA	
WI	
WV	
WY	

ad.

ility of +/-40%.

5% of manual, then can +40% and -50%.

- *USTs*

[illegible]

- *USTs*

[illegible]

- *USTs*

[illegible]

UST Count Total	
Multiple Factor	

- *ASTs*

[illegible]

- *ASTs*

[illegible]

Count Total	
Multiple Factor	

--	--

Construction
Bare Steel
Double Wall
Fiber/CPS/STIP3

UST BasePrice Factors			
AGE	BASE	.50 credit	.20 credit
52	4608	2304	3686.4
51	4532	2266	3625.6
50	4456	2228	3564.8
49	4380	2190	3504
48	4304	2152	3443.2
47	4228	2114	3382.4
46	4152	2076	3321.6
45	4076	2038	3260.8
44	4000	2000	3200
43	3204	1602	2563.2
42	3128	1564	2502.4
41	3052	1526	2441.6
40	2976	1488	2380.8
39	2900	1450	2320
38	2824	1412	2259.2
37	2748	1374	2198.4
36	2672	1336	2137.6
35	2596	1298	2076.8
34	2520	1260	2016
33	2444	1222	1955.2
32	2368	1184	1894.4
31	2292	1146	1833.6
30	2216	1108	1772.8
29	2140	1070	1712
28	2064	1032	1651.2
27	1988	994	1590.4
26	1912	956	1529.6
25	1836	918	1468.8
24	1760	880	1408
23	1684	842	1347.2
22	1608	804	1286.4
21	1532	766	1225.6
20	1456	728	1164.8
19	1380	690	1104
18	1304	652	1043.2
17	1228	614	982.4
16	1152	576	921.6
15	1076	538	860.8
14	1000	500	800
13	924	462	739.2
12	848	424	678.4
11	772	386	617.6
10	696	348	556.8
9	620	310	496
8	544	272	435.2
7	468	234	374.4
6	392	196	313.6
5	316	158	252.8
4	300	150	240
3	300	150	240
2	300	150	240
1	300	150	240
0	300	150	240

MultiFactors		
#	UST	AST
0	0%	0%
3	0%	15%
10	5%	15%
11	5%	20%
16	5%	25%
20	15%	25%
21	15%	30%
50	20%	30%
75	30%	30%
101	40%	30%
201	50%	30%
301	60%	30%

Deductible Factors		
\$ 2,500	~10.000%	1.1
\$ 5,000	0.000%	1
\$ 10,000	15.000%	0.85
\$ 25,000	32.000%	0.68
\$ 50,000	40.840%	0.5916
\$ 100,000	48.235%	0.51765
\$ 250,000	56.000%	0.44
\$ 500,000	64.800%	0.352
\$ 1,000,000	72.000%	0.28

Limit Factors	
\$500K / \$1MM	0.750
\$1MM / \$1MM	1.000
\$1MM / \$2MM	1.075
\$1MM / \$3MM	1.156
\$1MM / \$4MM	1.242
\$1MM / \$5MM	1.335
\$1MM / \$6MM	1.436
\$1MM / \$7MM	1.543
\$1MM / \$8MM	1.659
\$1MM / \$9MM	1.783
\$1MM / \$10MM	1.917
\$2MM / \$2MM	1.361
\$2MM / \$3MM	1.411
\$2MM / \$4MM	1.463
\$2MM / \$5MM	1.517
\$2MM / \$6MM	1.573
\$2MM / \$8MM	1.691
\$2MM / \$10MM	1.818
\$2MM / \$12MM	1.954
\$2MM / \$14MM	2.101
\$2MM / \$16MM	2.258
\$2MM / \$18MM	2.428
\$2MM / \$20MM	2.610
\$3MM / \$3MM	1.711
\$3MM / \$5MM	1.812
\$3MM / \$6MM	1.812
\$3MM / \$10MM	1.930
\$4MM / \$4MM	1.853
\$4MM / \$5MM	1.887
\$4MM / \$10MM	2.066
\$5MM / \$5MM	2.047
\$5MM / \$10MM	2.200
\$10MM / \$10MM	2.672
\$10MM / \$20MM	2.992
\$20MM / \$20MM	3.922
\$25MM / \$25MM	4.547

Capacity Rates	
0	\$ 200
2,001	\$ 400
9,999	\$ 400
10,000	\$ 800
49,999	\$ 800
50,000	\$ 1,600
99,999	\$ 1,600
100,000	\$ 2,400
249,999	\$ 2,400
250,000	\$ 3,200
499,999	\$ 3,200
500,000	\$ 4,400
999,999	\$ 4,400
1,000,000	\$ 5,200

Multi-Year Factors	
1	1.00
2	1.70
3	2.25
4	2.80
5	3.25

Defense Charge	
Defense In	0%
Defense O	5%

Age Factors	
0	-10%
15	-10%
16	0%
40	0%
41	10%



International Advantage - New Product Enhancements exclusive to our wholesale **✕**
trading partners.

BROKERAGE // ENVIRONMENTAL

TankSafe®

INCIDENT ALERT

MARKETING SHEET

CONTACT US

ABOUT THIS COVERAGE

The TankSafe product is provided through an internet-based system for commercial underground and above ground storage tank insurance. It is designed to be both easy and efficient -- from submission, through policy and financial responsibility certificate issuance.

APPLICATIONS

[TankSafe Policy \(US\) Application](#)

[AST Facility Worksheet](#)

[UST Facility Worksheet](#)

COVERAGES

- Third-party bodily injury and property damage claims, resulting from storage tank incidents involving scheduled storage tanks
- Corrective action costs, resulting from storage tank incidents involving scheduled storage tanks
- Policy/certificate satisfies federal and/or state requirements for financial responsibility (where applicable)
- Admitted in 48 states for AST/UST (excludes Kentucky & Tennessee)
- Customized storage tank risk control services are available through ESIS Health, Safety, and Environmental Services, and include Spill Prevention Control and Countermeasures (SPCC) Plans, as well as underground storage tank management systems
- Written on admitted and non-admitted basis, with enhanced coverage terms and conditions:
 - Limits of liability and deductible
 - Coverage territory
 - Definitions of "additional insured," "first named insured," and "remediation costs"
 - Enhanced extended reporting period terms

MINIMUMS AND LIMITS

- Minimum \$350 policy premium
- From \$500,000 per/\$1 million aggregate to \$5 million per/\$5 million aggregate

PREFERRED CLASSES

- Airports
- Auto Dealerships
- Commercial Industrial Facilities, such as:
 - Gas Stations
 - Convenience Stores
 - Manufacturing Plants
 - Municipalities
 - Hospitals
 - Schools, Colleges, Universities

RESTRICTED CLASSES

Underground Storage Tanks (USTs) and Aboveground Storage Tanks (ASTs) older than 30 years, and ASTs with capacities greater than 49,999 gallons, are ineligible for the web-based system. Please contact your regional Westchester Environmental contact for assistance.

ABOUT WESTCHESTER

Westchester is one of the largest and most diverse excess and surplus lines commercial property and casualty insurance companies in the United States. Focused on the wholesale distribution channel, Westchester provides innovative specialty products for property, specialty casualty, environmental, professional risk, inland marine, product recall, small business, binding and programs. The business is further distinguished by exceptional financial strength, underwriting excellence and superior claims handling expertise. Westchester is a company of Chubb, the world's largest publicly traded property and casualty insurer. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 30,000 people worldwide.

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TANKSAFE®

The enhanced TankSafe® is a commercial underground and aboveground storage tank insurance product that is distributed through a fully-automated internet-based system. It is designed specifically to make an otherwise painstaking process both easy and efficient, from submission through policy and financial responsibility certificate issuance. It combines underground and aboveground storage tank coverage in a single policy and is provided on an admitted basis.

Benefits

- Simple online application process
- Real-time rating and formal quote generation
- Instant policy and certificates issuance
- Easy electronic account management

Coverage

- Third-party bodily injury and property damage claims resulting from storage tank incidents involving scheduled storage tanks
- Corrective action costs resulting from storage tank incidents involving scheduled storage tanks
- Policy/Certificate satisfies federal and/or state requirements for financial responsibility (where applicable)
- Written on admitted basis.
- Enhanced coverage terms and conditions:
 - Limits of Liability and Deductible
 - Coverage Territory
 - Definitions of "additional insured", "first named insured" and "remediation costs"
 - Enhanced Extended Reporting Period terms

Preferred Risks

- Airports
- Auto Dealerships
- Commercial/Industrial Facilities (i.e. Service Stations, Convenience Stores)
- Manufacturing Plants
- Municipalities
- Hospitals
- Schools, Colleges, Universities

Restricted Industries

Underground Storage Tanks (USTs) and Aboveground Storage Tanks (ASTs) older than 30 years and ASTs with capacities greater than 49,999 gallons are ineligible for the web-based system. Please contact your regional Westchester contact for assistance.

Additional Facts

- \$350 Minimum Premium
- From \$500,000 per/\$1 million aggregate to \$5 million per/\$5 million aggregate
- For Westchester TankSafe clients, customized storage tank risk control services are available through Westchester's ESIS Health, Safety and Environmental Services, including Spill Prevention Control and Countermeasures (SPCC) Plans and underground storage tank management systems.

CONTACT US

Stela Flanagan

Vice President
678-795-4494
stela.flanagan@chubb.com

Kirby R. Mueller

AVP Underwriter
678-795-4165
kriby.mueller@chubb.com

Biju Chacko

Executive Underwriter
678-795-4114
biju.chako@acegroup.com

Insurance provided by Westchester Fire Insurance Company and its U.S. based Chubb underwriting company affiliates. Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at new.chubb.com. All products may not be available in all states and surplus lines products can only be offered through licensed surplus lines producers. This communication contains product summaries only. Coverage is subject to the language of the policies as actually issued.

UNDERGROUND STORAGE TANK LIABILITY INSURANCE POLICY

PST-00-03

THIS CLAIMS MADE UNDERGROUND STORAGE TANK LIABILITY INSURANCE POLICY (the "Policy") is a manuscript Policy, meaning it is a negotiated agreement between the Insured and the Insurer, and as such it may differ significantly from liability policies offered by other insurance companies. As a claims made insurance Policy, this Policy contains very strict claim reporting requirements which must be followed as conditions precedent to coverage. The terms of this Policy are contractual and are not merely recitals and all application(s), discovery form(s), warranty form(s), and other forms completed by the Insured to obtain coverage, constitute warranties of the Insured to the Insurer.

In addition, coverage is strictly limited to those activities and operations and at those locations listed, described, and defined herein. Various other provisions of this Policy restrict and limit the coverage provided. Please read the entire Policy and all Endorsements carefully to determine your rights and duties and what is and is not covered.

Throughout the Policy and any Endorsements, the words "you," "your," "Insured" and "Named Insured" refer to the Insured. The words "we," "us," "our," and the "Company" refer to the Insurer.

Capitalized terms have specific meaning throughout the Policy as defined in the Definitions Section below.

SECTION I — COVERAGE

A. Insuring Agreement

1. Third Party Liability

- a. Subject to all of the terms of this Policy, any all attached Endorsements, we will pay Damages in excess of any SIR that you are legally obligated to pay because of Bodily Injury or Property Damage to which this Policy applies:
 - i. Should a sudden and Accidental Confirmed Release of Pollutants from a Storage Tank identified in the Declarations cause Bodily Injury or Property Damage to which this Policy is limited; and
 - ii. If such sudden and Accidental Confirmed Release of Pollutants occurs during the Policy Period (including any Policy Period extended by a specifically identified Retroactive Date) stated on the Declarations;
 - iii. A Claim arising out of the sudden and Accidental Confirmed Release of Pollutants is made against you during the Policy Period and is reported to us in writing within six months after the expiration, cancellation or non-renewal of the Policy; and
 - iv. The Insured's responsibility to pay Damages because of Bodily Injury or Property Damage is determined in a Claim or Suit on the merits or in a settlement to which we consent.

The date of a Confirmed Release is the date upon which a Confirmed Release that results in Bodily Injury or Property Damage occurs regardless of when the Bodily Injury or Property Damage is first discovered or first manifest or reported. Claims arising from Confirmed Releases occurring prior to the coverage date of the Policy are not covered regardless of when Damages are first manifest or discovered.

2. Government Mandated Corrective Action Liability

- a. We will pay those sums that the Insured becomes legally obligated to pay, in excess of the deductible amount identified on the Declarations of this Policy, for Corrective Actions to which this Insurance applies caused by a Confirmed Release of Pollutants from a Storage Tank identified in the

Declarations. The amount we will pay for such Corrective Action costs is limited as described on the Declarations.

- b. This Policy applies to Corrective Actions resulting from a Confirmed Release of Pollutants that commences on or after the retroactive date shown in the Declarations of this Policy and before the end of the Policy Period asserted under statutory authority of the Government of the United States of America or a political sub-division, provided that:
 - i The Insured's obligation to pay Corrective Action costs is asserted by the applicable Implementing Agency under Storage Tank Environmental Regulations.
 - ii Notice of such obligations is received by you and reported to us in writing during the Policy Period.
- 3. We have both the right and the duty to provide for your defense with respect to a Claim covered by the Policy. We have the exclusive right to designate and appoint legal counsel to represent you and to otherwise control such defense. The Limit of Liability for defense costs is a maximum of 25% of the Aggregate Limit of Liability listed on the Declarations. We will also pay the costs to investigate, contest, defend, or appeal any suits for Bodily Injury or Property Damage to which this Policy applies. Notwithstanding anything to the contrary, our duty to provide for such defense or costs will immediately terminate:
 - a. When the applicable Limits of Liability of the Policy are exhausted;
 - b. If the Application including any supplemental information related thereto, is discovered by us to contain any material inaccuracies, omissions, mistakes, misrepresentation, false statements or errors of fact, regardless of whether the misrepresentation was a result of the Insured's insurance broker or agent's errors of omission, commission, mistake, negligence, fraud, or criminal conduct; or
 - c. If you violate any of the conditions set forth in this Policy.
- 4. We have the right, but not the duty, to participate in decisions regarding Corrective Actions or remediation of Pollutants, or to assume direct control over all aspects of such Corrective Actions or remediation.
- 5. We have the sole right, but not the duty, under this Policy to settle those otherwise covered Claims for which the proposed amount to be paid as Damages does not exceed the applicable Limits of Liability. Any such settlement will be binding upon the Insured and will not require the Insured's prior consent or ratification. Payment of settlement funds or expenses by us shall not relieve you of your duty to make timely payment of any applicable SIR.
- 6. Subject to the terms of this Policy and the Limits of Liability, we will only pay with respect to any Claim we defend:
 - a. Claim Expenses we incur; or
 - b. Costs of Suit pursuant to statute or order of court after a verdict is entered against the Insured in the Suit; and
 - c. Any judgment or part of a judgment that does not exceed our Limit of Liability; and
 - d. All interest on any judgment that accrues after entry of the judgment and before we pay, tender, or deposit with the court that part of the judgment that does not exceed our Limits of Liability.
- 7. Any of the above payments are part of and will reduce the Limits of Liability provided by this Policy. Notwithstanding the foregoing, we have no obligation to defend any criminal investigation or prosecution of or criminal proceeding against any Insured.

B. Exclusions

This Policy does not cover, and we will not be obligated to defend you against or pay Damages or Corrective Action costs for, any of the following:

1. Any obligation of an Insured under workers compensation, disability benefits, unemployment compensation law, or any similar law, or any law relating to any employer/employee benefits.
2. Bodily Injury to:
 - a. Any insured arising out of and in the course of the conduct of the Insured's business or Insured activities; or
 - b. The spouse, child, parent, brother, or sister of an employee of an Insured as a consequence of Bodily Injury to such employee.

This Bodily Injury Exclusion applies:

- (1) Whether an Insured may be liable as an employer or in any other capacity; and
 - (2) To any obligation to share Damages with or repay someone else who must pay Damages because of the injury, including Damages awarded for contribution or indemnity suits.
3. Bodily Injury or Property Damage:
 - a. Alleged by one Insured against any other Insured (if the Insured is an organization, this exclusion shall apply to any parent, subsidiary, or affiliated company of the Insured); or
 - b. Arising out of acts of the Insured or third-party general contractors, subcontractors, independent contractors, or property owners or their employees involving Claims or Suits alleging negligent hiring of employees or subcontractors, failure to contract with subcontractors, negligent supervision, or any liability relating to any independent contractor's service or failure to provide service.
 - c. Any officer, director, or employee of any of the entities described in subparagraph a. of this section.
 4. Claims related to or arising out of:
 - a. Employment policies or practices of an Insured including, but not limited to, refusal to employ, discrimination, termination, discharge, harassment, coercion, demotion, evaluation, reassignment, discipline, defamation, or humiliation; or
 - b. Employment benefit laws affecting an Insured; or
 - c. Employment of any person by the Insured in violation of the law as to age, or of any person under 14 years of age if there is no limiting legal age limit; or
 5. The Insured's assumption of liability under any contract or agreement. This exclusion does not apply to liability:
 - a. Assumed in a contract or agreement specifically approved by the Insurer by endorsement to this Policy, provided the Confirmed Release occurs subsequent to execution of the contract or agreement; or
 - b. That the Insured would have in the absence of any contract or agreement.
 6. Bodily Injury or Property Damage based upon or arising out of an Insured's ownership, selection chartering, use, operation, rental, service, maintenance, entrustment to others, or Loading or Unloading of

any Auto, land motor vehicle, utility vehicle, service vehicle, Mobile Equipment, aircraft, watercraft, transporter, or rolling stock, including any apparatus attached thereto.

7. Bodily Injury or Property Damage arising out of the ownership, use, operation, maintenance, or supervision of any type of mechanical device or equipment not scheduled on the Declarations or any Endorsement, whether or not such device or equipment is ridden by any person or persons.
8. Acid Rain, radium, radon gas, asbestos, or other similar chemical compounds hazardous to health.
9. Any Claim related to, caused by, or arising from Pollution that is not sudden and Accidental. This Exclusion includes, but is not limited to the following:
 - a. Bodily Injury or Property Damage arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of Pollutants over the course of time:
 - b. Any loss, cost, or expense arising out of any:
 - (1) Request, demand, or order (including consent decrees, consent orders, or administrative procedures) that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of Pollutants which have been released over time; or
 - (2) Claim or Suit by or on behalf of a governmental authority seeking recovery for testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of Pollutants which have been released over time.

This Pollution Exclusion applies to discharge, dispersal, seepage, migration, release, or escape, within a building or in the atmosphere, of Pollutants at or from any premises regardless of whether or not owned, rented, occupied, or controlled by an Insured.

10. Bodily Injury or Property Damage arising out of the willful, intentional, or deliberate violation of, or noncompliance with, any statute, ordinance or regulation including those set forth in Title 40 of the Code of Federal Regulations and/or any ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body.
11. Bodily Injury or Property Damage arising out of the acts of an Insured's employee or agent outside the scope of his or her employment or duties.
12. Bodily Injury or Property Damage resulting from the management of property.
13. Bodily Injury or Property Damage expected or intended from the standpoint of any Insured.
14. Property Damage to:
 - a. Property you own, use, rent, or occupy regardless of when the Property Damage occurs or was discovered;
 - b. Personal property in your care, custody, or control;
 - c. A Storage Tank identified in the Declarations;
 - d. Premises you sell, give away, or abandon if the Property Damage arises out of any part of those premises regardless of when the Property Damage occurs or was discovered; or
 - e. Property loaned to you.
15. Bodily Injury or Property Damage which directly or indirectly is the result of a Confirmed Release of Pollutants which occurred prior to the Policy Period stated on the Declarations, regardless of the date the

Bodily Injury or Property Damage was first discovered, first manifest, or reported and even if the results of the Confirmed Release are continuing in nature or extend beyond the policy period during which the Confirmed Release occurred.

16. Any Claim for punitive or exemplary damages, fines, statutory penalties, or sanctions, whether imposed by law or otherwise, trebled or otherwise multiplied damages or any multiplied portion of a compensatory award, or the return or restitution of legal fees, costs, and expenses. Claims for or awards against any Insured for punitive or exemplary damages, fines, statutory penalties, or sanctions, whether imposed by law or otherwise, trebled or otherwise multiplied damages or any multiplied portion of a compensatory award are not covered by the Policy regardless of whether they are demanded or awarded based upon the conduct of an Insured or upon the conduct of others for whose conduct the Insured may be deemed to be vicariously liable.
17. Any Claim seeking relief other than for monetary Damages or Corrective Action costs including, but not limited to, claims for injunctions, temporary restraining orders, or other equitable relief or requiring any Insured to take any action other than the payment of Corrective Action costs or compensatory monetary Damages for Bodily Injury or Property Damage as defined herein.
18. Any Claim related to, caused by, or arising from war and terrorism including, but not limited to:

Any loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss, including:

- a. War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- b. Any "act of terrorism."

For the purpose of this War and Terrorism Exclusion, an "act of terrorism" means an act including, but not limited to, the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological, or similar purposes, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This War and Terrorism Exclusion also excludes loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing, or in any way related to acts anywhere in this war and terrorism section.

If the Company alleges that by reason of this War and Terrorism Exclusion, any loss, damage, cost, or expense is not covered by this Policy, the burden of proving the contrary shall be upon the Insured.

In the event any portion of this War and Terrorism Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect. War and terrorism coverage through an Endorsement in compliance with the U.S. Terrorism Risk Insurance Act of 2002 may be purchased for an additional premium.

19. Bodily Injury or Property Damage arising out of criminal act(s) of an Insured. This includes any dishonest, fraudulent, intentional or malicious act or those of a knowingly wrongful nature.
20. Any cost or expense associated with the repair, reconstruction, replacement, removal, upgrading or rebuilding of any Storage Tank or any other improvements, site enhancements or routine maintenance on, within or under the site at which the Storage Tank is located, and any costs or expense associated with removing, replacing, disposing, or recycling the contents or components of any Storage Tank.
21. Property Damage to any Storage Tank identified in the Declarations.

22. Any Confirmed Release of Pollutants at any property the Insured first acquires, leases, rents or occupies after the commencement of the Policy Period unless such property is added to this Policy by way of endorsement.
23. Any Bodily Injury or Property Damage that results of any spill or overflow that occurs during the loading or unloading of a Storage Tank.
24. Property Damage to a waste facility.
25. Bodily Injury or Property Damage resulting from Pollutants emanating from a waste facility.
26. Excavation, soil removal, engineering, Phase I, II, or III services, or backfilling, unless otherwise connected with a Confirmed Release of Pollutants.
27. Corrective Action costs or any other expense incurred by you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants on, or emanating from, a waste facility or to any recovery claimed for such cost or expense.
28. Bodily Injury, Property Damage, or Corrective Action costs arising out of the transportation of polluted soil or property which contains Pollutants from an Insured site.
29. Any Confirmed Release of Pollutants occurring after a scheduled Storage Tank is:
 - a. Sealed off, sold, closed, abandoned, given away, leased, subleased, removed from use, alienated, or ceases to be operational by, or otherwise under the control of, the Insured; or
 - b. Sealed off, closed, or removed from use under the authority of any statute, ordinance, or governmental regulation or directive.
30. Bodily Injury or Property Damage arising out of a Confirmed Release of Pollutants which results from or is directly or indirectly attributable to failure to comply with any applicable statute, regulation, ordinance, directive or order relating to the protection of the environment and promulgated by any governmental body, provided that failure to comply is a willful or deliberate act or omission of an Insured under this Policy.
31. Fuel pumps, fuel dispensers and its piping, connections, and valves.
32. Any storage of substances that are not listed by the Storage Tank's manufacturer as compatible with the construction materials of the Storage Tank.
33. Any storage of substances that are not included within the definition of Pollutant.
34. Costs and expenses of testing, monitoring, and determining the source and extent of the Confirmed Release of Pollutants.
35. Property Damage caused by testing.
36. Fuel delivery truck overfill damages.
37. Fuel pump delivery system and connected fuel pump piping damages.
38. Costs associated with fuel tank or fuel tank piping replacement, service, damages, repair, or inspection.
39. Bodily Injury or Property Damage arising out of a Confirmed Release of Pollutants caused by earth movement, including, but not limited to, earthquake, flood, landslide, mudslide, subsidence, volcanic eruption, or by any other means considered outside and beyond the control or responsibility of the Insured.

40. Any Damages which occur during the excavation, renovation, upgrade or repair of an otherwise covered Storage Tank or its connected piping, ancillary equipment or containment system.
41. Bodily Injury or Property Damage caused by:
 - a. The explosion of any weapon employing atomic fission or fusion; or
 - b. Nuclear reaction, radiation, or radioactive contamination, however caused.

SECTION II — WHO IS AN INSURED?

- A. An Insured is any person and/or entity expressly designated on the Declarations as an Insured. If the person or entity designated as an Insured is:
 1. An individual, the individual and the individual's spouse are Insureds, but only with respect to the conduct of a business of which the individual or the individual and/or the spouse are the sole owners.
 2. A partnership or joint venture, the partnership or joint venture is the Insured; however, the partnership or joint venture's partners or members are also Insureds, but only with respect to their involvement in conducting the business of the partnership or joint venture.
 3. A limited liability company, the limited liability company is the Insured; however, the limited liability company's members are also Insureds, but only with respect to their involvement with the limited liability company's business, and the limited liability company's managers are Insureds, but only with respect to their duties as the limited liability company's managers.
 4. An organization other than a partnership, joint venture, or limited liability company, such organization is the Insured; however, the organization's executive officers and directors are Insureds, but only with respect to their duties as the organization's officers or directors. Such organization's stockholders are also Insureds, but only with respect to their liability as stockholders.
- B. Each of the following is also an Insured:
 1. Your employees, other than your executive officers or the managers of your limited liability company (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these employees is an Insured for:
 - a. Bodily Injury:
 - (1) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-employee while that co-employee is either in the course of his or her employment or performing some duties related to the conduct of your business;
 - (2) To the spouse, child, parent, brother, or sister of that co-employee as a consequence of any injury to persons identified in subparagraph a (1) above;
 - (3) For which there is any obligation to share Damages with or repay someone else who must pay Damages because of the injury described in subparagraphs a (1) or (2) above; or
 - (4) Arising out of his or her providing or failing to provide professional health care services.
 - b. Property Damage to property owned, occupied, or used by, rented to, in the care, custody, or control of, or over which physical control is being exercised for any purpose by you, any of your employees, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 2. Any person (other than your employee) or any organization while acting as your real estate manager.

3. Any person or organization having proper temporary custody of your property if you die, but only:
 - a. With respect to liability arising out of the maintenance or use of that property; and
 - b. Until your legal representative has been appointed.
 4. Your legal representative if you die, but only with respect to their liability for activities authorized and sponsored by and performed on your behalf.
- C. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as an Insured if there is no other similar insurance available to that organization. However:
1. Coverage under this provision is afforded only until the 60th day after you acquire or form the organization or the end of the Policy Period, whichever is earlier; and
 2. Coverage does not apply to Bodily Injury or Property Damage that occurred before you acquired or legally formed the organization.

SECTION III — LIMITS OF LIABILITY

- A. The Limits of Liability shown on the Declarations and the conditions set forth below fix the most we will pay regardless of the number of:
1. Insureds; or
 2. Claims made or Suits brought;
 3. Persons or organizations making Claims or bringing Suits; or
 4. Governmental actions taken with respect to Corrective Actions.
- B. The aggregate Limit of Liability listed on the Declarations is the most we will pay for the sum of:
1. All damages because of all Bodily Injury and Property Damage; and
 2. All Corrective Action costs.
- C. Subject to the aggregate Limit of Liability, the per Confirmed Release limit minus the applicable SIR or deductible amount shown on the Declarations is the most we will pay for any one Confirmed Release of Pollutants, including repeated or continuous Confirmed Releases or a series of related Confirmed Releases from the same Storage Tank, for the sum of:
1. All damages because of all Bodily Injury and Property Damage; and
 2. All Corrective Action costs.
- D. This Policy is subject to any and all Sub-limits identified in this Policy, including any identified on the Declarations or on any included Endorsement.
- E. All Claim settlement costs and Claim Expenses are included within the Limits of Liability shown on the Declarations and are not in addition to such Limits of Liability. The Limits of Liability apply to the total sum which the Insured, or the Insurer, become legally obligated to pay by reason of any Bodily Injury, Property Damage, or Corrective Action costs for which coverage is provided by the Policy, including any supplementary payment either through adjudication or compromise, any hospital, medical, or funeral charges, and any sums paid or payable as salaries, wages, compensation, fee charges, interest, or expenses of doctors, nurses, investigators, attorneys, and other persons relating to any settlement, adjustment, investigation, or defense of any Claim.

F. The following items affect the Limits of Liability as outlined:

1. A single Confirmed Release, or the accumulation of more than one Confirmed Release during the Policy Period, may cause the per Confirmed Release limit and/or the annual aggregate maximum Limit of Liability to be exhausted at which time the Insured will have no further benefits under the Policy;
2. Upon the exhaustion of the Limit of Liability, the Insured may request the Insurer to reinstate the original Limits of Liability for the remainder of the Policy Period for an additional coverage charge as may be calculated and offered by the Insurer on the Policy issued; although, the Insurer has no obligation to accept the Insured's request; and
3. The Insured understands and agrees that the Insurer has no obligation under the coverage provided by the Policy to notify the Insured of the possibility that the maximum coverage payable is or may be exhausted by any Confirmed Release or combination of Confirmed Releases that occur or may occur during the Policy Period. The Insured, in his, her, or its sole discretion, must determine if additional coverage should be purchased, and the Insurer has no duty to make a determination or advise the Insured concerning additional coverage.

G. Notwithstanding anything contained in this Policy to the contrary, the Insurer's financial obligation imposed by the coverage with respect to all Claims and related costs, incurred hereunder shall not exceed the amount specified on the Declarations as the aggregate Limit of Liability.

SECTION IV — SELF-INSURED RETENTION (SIR)/DEDUCTIBLE OBLIGATION

- A. The Insurer's obligation to make any payments under this Policy shall only arise after the payment by the Insured of any applicable SIR or deductible amount, as specified on the Declarations, has been timely tendered. The SIR/deductible amount shall apply separately to each and every Claim and to each and every Insured. The Insurer shall have no duty to make any payment for the defense or settlement of any Claim, or for the satisfaction of any judgment, until the Insured has paid the SIR. The Limits of Liability of this Policy include the amount of the SIR/deductible and are not in excess thereof.
- B. The Insured will pay 100% of the SIR/deductible on each and every Claim for Damages or Corrective Action costs before any payment is due pursuant to the terms of the Policy. The SIR/deductible applies to each and every Claim regardless of whether a claimant presents multiple Claims. The following obligations and restrictions apply to the SIR/deductible:
1. The Insurer may assume control and defense of all Claims, Suits, and proceedings, which at its sole discretion may involve this Policy. Such assumption of the control and defense of any Claim, Suit, or proceeding by the Insurer, including the selection and/or appointment of defense counsel by the Insurer, shall not affect the Insured's responsibility to pay the SIR.
 2. A separate SIR/deductible shall be paid for each Claim. Multiple Claims arising from the same event shall be subject to multiple SIRs/deductibles.
 3. In the event the Insured fails to reimburse the Insurer for any SIR/deductible amount and the Insurer incurs collection expenses, the Insurer shall be entitled to recover such collection expenses, including reasonable attorneys' fees, costs and expenses, from the Insured to the fullest extent permitted by law.
 4. The Insurer has the right, but not the duty, to settle any covered Claim for which the proposed amount to be paid in Damages or Corrective Action costs does not exceed the applicable Limits of Liability. Such settlements are binding on the Insured and do not require the Insured's prior consent or ratification.
 - a. Any settlement agreed to by the Insurer pursuant to its settlement right shall be subject to cancellation by the Insurer if the Insured fails to pay the SIR/deductible timely.
 - b. If any settlement agreed to by the Insurer is not concluded due to the failure of the Insured to pay the SIR/deductible for any reason, the liability of the Insurer for all Corrective Action costs, Claims

Expenses, Damages, and/or settlement and judgment amounts shall be limited to the amount for which the Claim could have been settled but for the Insured's failure to tender the SIR/deductible.

5. The Policy shall have available at the option of the Insurer, medical benefits payable as expenses in excess of any other collectible insurance or benefit available to any injured third party. The maximum benefit is \$1,000.00 per person, with an aggregate limit of \$5,000.00 per Policy Period.
6. The Insurer, at its sole discretion and without the consent of the Insured, may agree to the payment of all or any part of the SIR/deductible in satisfaction of Claim Expenses, settlements, Damages, judgments, or Corrective Action costs.
7. The Insurer, at its sole discretion, may pay the amount of the SIR/deductible from its own funds in satisfaction of Claim Expenses, Damages, settlements, judgments, or Corrective Action costs. In the event the Insurer chooses to make such payment, the Insured shall reimburse the Insurer within 15 days of the mailing of a demand by the Insurer.
8. The Insurer, at its sole discretion, may direct the Insured to pay all or any part of the SIR/deductible to a third party in satisfaction of Claim Expenses incurred or Damages paid or of settlement or judgment amounts or Corrective Action costs. The Insured shall make any required SIR/deductible payment within 15 days of the Insurer's direction to make such payment.
9. This Policy shall not apply to any Claim first reported to the Insurer while the Insured is in default in the payment of any SIR/deductible due from the Insured.
10. Failure to timely pay the SIR/deductible as required shall be considered to be the same as failure to pay premium when due, and the Insurer may, at its sole discretion, cancel the Policy for such nonpayment subject to the same notice requirements as set forth in the Policy for cancellation for non-payment of premium. Such cancellation shall not relieve the Insured of its duty to pay any SIR/deductible, and the Insurer may offset any return premium due the Insured against any unpaid SIR/deductible and take any other necessary steps to collect any unpaid SIR/deductible.

SECTION V — CONDITIONS

A. Notice of Confirmed Release, Potential Claim, Claim, or Suit

1. As an express condition precedent to coverage under this Policy, you must give us immediate written notice, as soon as possible and in no event later than 72 hours, of any incident, event, occurrence, loss, or Confirmed Release which might give rise to a Claim covered by this Policy. Written notice must be given to: Claims Direct Access, P.O. Box 4439, Sandy, Utah 84091-4439, U.S.A. Phone: (877) 585-2849 or (801) 304-5530; Fax: (877) 452-6909 or (801) 304-5536, and include:
 - a. How, when, and where the incident, event, occurrence, loss, or Confirmed Release took place;
 - b. The names and addresses of any injured persons and witnesses; and
 - c. The nature and location of any injury or damage arising out of the Confirmed Release.
2. Reporting a Confirmed Release to us does not relieve you of any duties you may have under applicable laws or regulations to notify the Implementing Agency having jurisdiction over any such Confirmed Release.
3. You must permit us to inspect the Storage Tank in order to substantiate that the Bodily Injury, Property Damage, or Corrective Action costs were caused by a Confirmed Release from a Storage Tank identified in the Declarations.
4. You and any other involved Insured must:
 - a. Immediately or at the earliest practicable moment, and in no event later than 10 days after receipt by you, send us copies of any demands, notices, summonses, or legal papers received in connection

with any Claim or Suit and act in all diligence and prudence to resolve the Claim or Suit; provided, however, that no settlement in excess of any applicable SIR will be agreed to by the Insured without the Insurer's express written consent;

- b. Authorize us to obtain records and other information;
- c. Cooperate with us in the investigation, settlement, or defense of the Claim or Suit—the Insurer may require that the Insured submit to examination or questioning, attend hearings, depositions, and trials—additionally, in the course of investigation or defense, the Insurer may require written and/or sworn statements concerning the Claim; and
- d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured, or which provides similar benefits to the Insured, because of injury or damage to which this Policy may also apply.

B. Legal Action Against Us

No person or organization has a right under this Policy to:

- 1. Join the Insurer as a party or otherwise bring them into a Suit asking for Damages from an Insured; or
- 2. Sue the Insurer under this Policy unless all of the terms of the Policy have been fully complied with by the Insured.

A person or organization may sue the Insurer to recover on an Agreed Settlement or a final judgment obtained after an actual trial against an Insured, but the Insurer will not be liable for Damages that are not payable under the terms of this Policy or that are in excess of the applicable Limits of Liability available to an Insured.

C. Other Insurance

- 1. If other valid and collectible insurance, whether primary, excess, or contingent or on any other basis, including any form of self-insurance or SIR, is available to an Insured for a loss covered under this Policy, then:
 - a. This Coverage is excess over the other insurance, including any form of self-insurance or SIR; and
 - b. We will have no duty to defend any Claim or Suit that any other Insurer have a duty to defend. If no other underwriter or issuer of a form of self-insurance or SIR defends, we may undertake to do so, but we will then be entitled to enforce the Insured's rights against those other insurers, self-insurers, or self-insured entity for defense costs, contribution, or indemnity.
- 2. When both this Policy and other insurance, whether primary, excess, or contingent or on any other basis, including any form of self-insurance or SIR, apply to the loss on the same basis, we will not be liable under this Policy for a greater proportion of the loss than that stated in the applicable contribution provision below:
 - a. If all such other insurance provides for contribution by equal shares, we shall not be liable for a greater proportion of such loss than that which would be payable if each Insurer or self-insured entity contributes an equal share until the share of each Insurer or self-insured entity equals the lowest applicable Limits of Liability under any one policy or coverage contract or the full amount of the loss is paid. With respect to any amount of the loss not so paid, each remaining Insurer or self-insured entity will then contribute an equal share of the remaining amount of the loss until each such Insurer has paid its limit in full or the full amount of the loss is paid.
 - b. If all such other insurance does not provide for contribution by equal shares, the Insurer shall not be liable for a greater proportion of such loss than the applicable Limits of Liability under this Policy

bears to the total applicable Limits of Liability of all other valid and collectible insurance applicable to such loss.

3. If this Policy and any other Policy or coverage contract issued to you by us or any company affiliated with us apply to the same Incident, the aggregate maximum Limit of Liability or any applicable Sub-limits under all of the policies and coverage contracts shall not exceed the highest applicable Limit of Liability or Sub-limit under any one Policy or coverage contract. This condition does not apply to any Policy or coverage contract issued by us, or an affiliated company, specifically to apply as excess insurance over this Policy.

D. Premium

1. We will compute the premium for this Policy in accordance with our rules and rates at the time coverage is issued or renewed on behalf of the Insured.
2. The premiums shown on this Policy as the advance premiums are minimum-earned and deposit premiums only. At the close of each audit period, we will compute the earned premium for the Policy Period shown on the Declarations. Audit premiums are due and payable on notice to the Insured. If the sum of the advance and audit premiums paid for the Policy Period is greater than the earned premium charge, any prepaid premium charges become the fully earned premiums for the Policy Period.
3. The Insured must keep records of the information we need for coverage charge computation and send us copies at such times as we may request them.
4. In the event of any Claim, the minimum, fully-earned premium for the Policy will be 100% of the total premium stated on the Declarations, and such minimum, fully-earned premium will replace any other minimum-earned premiums charged and will not be subject to short-rate or pro-rata adjustment.
5. In the event the Insured fails to tender the required premium amount and the Insurer incurs collection expenses, the Insurer shall be entitled to recover all costs of collection including, but not limited to reasonable attorneys' fees, costs, and expenses from the Insured.

E. Insured's Representations and Warranties

By accepting this Policy, you represent, warrant, and agree that:

1. The completed Application and any supplemental applications or other documentation provided to obtain this Policy do not contain any material inaccuracies, omissions, mistakes, misrepresentation, false statements or errors of fact, regardless of whether the information was provided by you or your broker or agent;
2. You understand the information provided in and with your Application for insurance has been relied upon by the Insurer in pricing coverage and issuing the Policy; and
3. The Policy is a "manuscript Policy," which means it does not follow any "standard" insurance policy form and represents a negotiated agreement between you and the Insurer, and you had the opportunity to seek the advice of legal counsel with regard to the negotiations for and the execution and performance of the Policy; and
4. Any insurance broker or agent involved in obtaining the Policy represents you and not the Insurer, and the broker or agent is not authorized to bind coverage on behalf of the Insurer, and you do not assume the broker or agent has any implied or apparent authority to bind the Insurer; and
5. You are subject to all the Policy provisions, terms, and conditions.

F. Transfer of Rights of Recovery Against Others To Us

If an Insured has rights to recover all or a part of any payment for Damages we have made under this Policy from any person or organization, those rights are hereby transferred to the Insurer. The Insured must do nothing after the loss to impair these rights. At our request, the Insured will bring Suit or transfer those rights to us and will do all things we request to assist us to enforce those rights and collect payments made under the Policy.

G. Non-Assignable

No interest, coverage, or rights under this Policy may be assigned or transferred to any other person or entity without the prior written consent of the Underwriter. This Policy is issued to the Insured as owned and managed at the time of the Application and does not transfer upon a change in ownership or management without prior written approval of the Underwriter.

H. Cancellation

1. The Insured shown on the Declarations may cancel this Policy by mailing a request to cancel to the Insurer. No prior notice to the Policy's regular coverage ending date is required.
2. The Insurer may cancel this Policy by mailing first class or by hand delivery to the Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium or upon your failure to pay any SIR/deductible premium or any other cost or fee required to be paid under the terms of this Policy; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. The Insurer will mail or deliver any notice of cancellation or any other notice to be delivered under the Policy to the Insured's mailing address shown on the Declarations or on any written Endorsement changing such address.
4. Notice of cancellation will state the effective date of cancellation and the Policy Period will end on that date.
5. If this Policy is cancelled by the Insured or Insurer, the premium for the period from the date of cancellation to the expiration date will be the short-rate or the minimum premium as specified on the declarations. The total premium will be deemed the minimum, fully-earned premium in the event a Claim is made at anytime on the Policy prior to cancellation. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, a prepaid proof of mailing is sufficient proof of notice to the Insured. Notice deposited in the mail in the manner described above shall be effective when so deposited.
7. If the Insurer decide not to renew this Policy, the Insurer are not required to send any notice of such non-renewal.
8. At no time will cancellation of this Policy for any reason require the Insurer to refund an amount of premium over or above the minimum, fully-earned premium set out in this Policy.

I. Changes

This Policy, including any Endorsements, contains all of the agreements between the Insured and the Insurer concerning the insurance provided by the Policy. The coverage terms can be amended or waived only by Endorsement issued by the Insurer, and not by any broker or agent, and made a part of the Policy.

Endorsements adding additional Insureds, coverage, or otherwise materially changing the Policy will require additional premium to be collected from the Insured before the Endorsement will become effective. Any additional premium associated with any Endorsement will be calculated by the Insurer based upon its then current rates; although, no specific rate is guaranteed to the Insured.

J. Examinations, Inspections, and Surveys

The Insurer has the right, but is not obligated to:

1. Examine and audit your books and records as they relate to this Policy at anytime during the Policy period and up to three years thereafter;
2. Make inspections and surveys of the Insured and its operations, premises, equipment, property, and books at anytime;
3. Prepare reports on the results of the inspections and surveys, and provide copies of said reports to the Insured; and
4. Recommend and/or require changes, repairs, or other acts to be completed as a condition precedent to continued coverage under the Policy.

The inspections, surveys, reports, or recommendations relate to the insurability of an Insured and the coverage charge to be made. We do not make safety inspections, undertake to provide legal advice or opinions, or perform the duty to any person or organization to provide for the health or safety of workers or the public, and we do not warrant that conditions of the Insured's premises or other working environment under the Insured's control are safe or healthy, or comply with any or all federal, state, county, or local laws, regulations, codes, or standards. This limitation of our service applies not only to us, but also to any rating, advisory rating service, or similar organization or individuals that may provide insurance inspections, surveys, reports, or recommendations at the request of the Insurer.

K. Premium Audit

The initial premium for this Policy represents a minimum estimated premium based upon the exposures you told us you would have when you requested coverage. We expressly retain the right to conduct a premium audit of your records at anytime to determine if the exposures are ultimately greater than you told us. This premium audit may take the form of a request of you to provide proof of exposures by completing a self-audit form and supplying any type of supporting business records (such as proving gross receipts) or an audit conducted by our agent by physically inspecting your books and records. In the event you fail to comply with any premium audit request, including failing to provide any requested information, you authorize us to assume additional exposures and charge and collect from you the greater of an additional premium equal to 25% of the original premium and the actual amount due based upon any premium audit findings. You also expressly agree to pay any costs associated with our efforts to collect any additional premium due from you. Under no circumstance will the minimum estimated premium be reduced as the result of any premium audit—the original premium represents a minimum premium for the Policy.

L. False or Fraudulent Claim

If any Insured shall make any Claim under this Policy knowing such Claim to be false or fraudulent, as regards to amount or otherwise, this Policy shall become null and void and all coverage hereunder shall be forfeited.

M. Protective Instrumentation Safeguards

This Policy will automatically be suspended at the location listed on the Declarations if you fail to notify the Insurer immediately when you:

1. Know of any suspension or impairment in the underground storage tank protective monitoring system and fail to immediately have the problem repaired by an approved certified instrument service company;

2. Fail to maintain the protective monitoring system over which you have control in complete working order;
3. Know that protective seals placed on the protective monitoring system have been broken and fail to immediately have an approved certified instrument service company calibrate, certify, and reseal the monitoring system;
4. Fail to maintain a service contract with an instrument service company on the approved list published by this company, which includes quarterly certification by an approved certified instrument service company that the protective monitoring system is in complete working order; or
5. Make repairs or modifications to the underground storage tanks, to their piping, or their monitoring equipment.

N. Pre-Existing Release

The Insured has the burden of proving that a Claim is not related to a Confirmed Release that occurred prior to the Policy Period. The Insurer shall be entitled to recover from the Insured all costs and expenses incurred as a result of any such pre-existing Confirmed Release.

O. Inspections

We shall be permitted, but not obligated, to inspect, sample or monitor at any time any Storage Tank identified in the Declarations. Neither our right, nor our undertaking, to take any such actions shall constitute an attempt on the Insurer's behalf to determine or warrant that the Storage Tank, property or operations are safe, conform to acceptable engineering practices, or are in compliance with any applicable rule, law, or regulation.

P. State Guaranty Funds, Trust Funds, Programs, and Plans

In the event any Insured recovers any government funds available to you or others arising out of any Confirmed Release covered under the Policy, we shall be entitled to recover from the Insured that portion of such recovery that is equal to the amount paid by us, in excess of any SIR/deductible amount paid by the Insured, as a result of the Confirmed Release. This Policy is excess over any such government funds.

Q. Excavation or Repair of Storage Tank

This Policy will automatically be suspended at the location listed on the Declarations if there has been any excavation or digging around, or repair or removal of, any Storage Tank or its connected piping. Notwithstanding the suspension of this Policy, the Insured must give the Company 30 days' prior written notice of any removal, repair, maintenance, etc. of any Storage Tank. If, in an emergency situation, the Insured is unable to give 30 days' prior written notice, the Insured must still give the Company prior written notice at the earliest opportunity. Said suspension shall remain in place until all Storage Tank has been inspected and certified for use by the tank and piping manufacturers, Implementing Agency, or a registered professional engineer with education and experience in underground storage system installation.

SECTION VI — DEFINITIONS

- A. "Accident(al)" means an incident, event, or circumstance which is sudden, unexpected and unintended from the standpoint of any Insured. Accidental does not include Property Damage or Bodily Injury which occurs over the course of time.
- B. "Agreed Settlement" means a settlement and/or release of liability signed and/or authorized in writing by the Insurer.
- C. "Application" means the application for insurance coverage form, and any information provided therewith, completed by or for or on behalf of the Insured requesting insurance coverage from the Insurer.

- D. "Auto" means a land motorized vehicle, trailer, or semi-trailer designed for travel on public roads, including any attached machinery or equipment. Auto does not include Mobile Equipment.
- E. "Bodily Injury" means physical injury to a person's body, including death, but shall exclude:
1. Sickness or disease sustained by any person or death resulting there from; and
 2. Mental or emotional distress, mental anguish, humiliation, embarrassment, mental anxiety, or other emotional, psychological or mental injury, or any physical manifestation thereof.
- F. "Claim(s)" means any demand for Damages, including a written demand, a civil action, Suit, or institution of arbitration proceeding, or the taking of action by a third party or the Implementing Agency in response to a Confirmed Release. A Claim does not include the request for information, a notice of intent to reserve rights, or an assertion of a potential environmental problem.
- G. "Claim Expenses" mean:
1. All fees, costs and expenses charged by any lawyer or other service provider designated by the Insurer to represent the Insured; and
 2. All other fees, costs, and expenses, including the Insurer's own internal fees, costs, and expenses, or those of an affiliate, resulting from the investigation, adjustment, defense, and appeal of a Claim or Corrective Action, as authorized by the Company.
- H. "Confirmed Release" means any sudden and accidental spilling, leaking, emitting, discharging, releasing, escaping, or leaching of any Pollutant that originates within and directly emanates from a Storage Tank identified in the Declarations, that has been documented and verified to have occurred by means of a tank integrity test or other test procedure approved by an Implementing Agency in accordance with Storage Tank Environmental Regulations.
- I. "Corrective Action" means the removal, containment, dilution, abatement, treatment, response, disposal, remediation, detoxification, or neutralization of Pollutants from a Confirmed Release as mandated under regulations promulgated by the Implementing Agency. Corrective Action costs do not include testing, monitoring, and determining the source and extent of the Confirmed Release.
- J. "Damages" means a compensatory sum, monetary judgment, award, or settlement an Insured is or may reasonably become legally obligated to pay as the result of an Accident, but does not include fines or statutory penalties, sanctions, whether imposed by law or otherwise, punitive, exemplary, treble damages, or any multiplied portion of a compensatory award, nor the return or restitution of legal fees, costs, and expenses.
- K. "Declarations" means the summary of coverage provided in conjunction with this Policy setting forth essential terms that are expressly deemed a part of this Policy.
- L. "Endorsement" means any additional coverage or limitation of coverage contained in any attachment or addendum to this Policy. Any Endorsement is an indispensable and indivisible part of this Policy.
- M. "Hazardous Materials" means any nuclear, radioactive, toxic, or explosive material, substance, or waste, and any by-products thereof, and the explosive, toxic, and dangerous properties of such material, substance, or waste and any by-products thereof.
- N. "Implementing Agency" means a federal, state, or local municipal governmental entity having responsibility or jurisdiction over a Storage Tank identified in the Declarations, its contents, or the Corrective Action of a Confirmed Release pursuant to Storage Tank Environmental Regulations.
- O. "Limit(s) of Liability" means the maximum amount the Insurer will be obligated to pay for an otherwise covered Claim, including payment of Damages, or any other sums due under this Policy, the amount of which is set forth on the Declarations.

P. "Loading" or "Unloading" means the handling of property:

1. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, or Auto;
2. While it is in or on an aircraft, watercraft, or Auto; or
3. While it is being moved from an aircraft, watercraft, or Auto to the place where it is finally delivered, but Loading or Unloading does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft, or Auto.

Q. "Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises you own or rent;
3. Vehicles that travel on crawler treads; or
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power crane, shovels, loaders diggers, or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers, or rollers.
5. Vehicles not described in paragraphs 1, 2, 3, or 4 above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting, and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers.
6. Vehicles not described in paragraphs 1, 2, 3, or 4 above maintained primarily for purposes other than the transportation of person or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not Mobile Equipment, but will be considered Autos:

- a. Equipment designed primarily for:
 - (1) Snow removal;
 - (2) Road maintenance, but not construction or resurfacing; and
 - (3) Street cleaning.
- b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting, and well servicing equipment.

R. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, Hazardous Materials or any other waste, including materials to be recycled, reconditioned, or reclaimed.

- S. "Policy" means the Policy issued by the Insurer to the Insured, including all Endorsements thereto.
- T. "Policy Period" means the period of time beginning on the "Effective Date," as stated on the Declarations, and ending on the earlier of the initial "Expiration Date," as stated on the Declarations, and any effective cancellation date pursuant to the terms of the Policy.
- U. "Property Damage" means:
1. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 2. Loss of use of tangible property that is not physically damaged. All such loss shall be deemed to occur at the time of the Accident that caused it.
- V. "Retroactive Date" means any date expressly identified on the Declarations as the Retroactive Date. An expressly identified Retroactive Date shall be considered the Effective Date for determining the Policy Period. If no Retroactive Date is expressly identified on the Declarations, no coverage is provided for any period of time before the Effective Date.
- W. "Storage Tank" means any one or combination of scheduled above or below ground tanks, their associated piping, connections, and valves as listed on the Declarations.
- X. "Storage Tank Environmental Regulations" means any Federal, state provincial or local law (including but not limited to statutes, regulations, rules, ordinances, guidelines, codes, governmental, judicial, or administrative orders and directives) applicable to Storage Tanks with respect to the protection of the environment that is made, enacted or adopted by an Implementing Agency and is in effect at the commencement of the Policy.
- Y. "Self-Insured Retention" or "SIR" means the amount set forth on the Declarations that the Insured is required to pay for each and every Claim for any combination of Damages and/or Claim Expenses otherwise covered under this Policy. The Insured will pay 100% of the Self-Insured Retention before any payment is due pursuant to the terms of this Policy.
- Z. "Sub-limit" means a limited portion of the aggregate Limit of Liability under the Policy, identified for a specific Accident, person, or type or nature of loss covered under this Policy. Sub-limits effective under the Policy are identified on the Declarations or in Endorsements attached to the Policy. All Sub-limits are expressly subject to and deplete any other applicable Sub-limit(s) and the aggregate Limit of Liability. Sub-limits are within, and not in addition to, the aggregate Limit of Liability. Both Sub-limits and any aggregate Limit of Liability are reduced by Claims Expenses. Specific Sub-limits are further defined as follows:
1. Any "Per Person" Sub-limit limits the portion of the aggregate Limit of Liability the Insurer may be obligated to pay as the result of Bodily Injury and/or Property Damage sustained by any person involved in an otherwise covered Accident to such person, aggregated with all Damages claimed by other person(s) through, or as a result of, the Bodily Injury and/or Property Damage sustained by the person involved in the Accident, including but not limited to Claims for loss of consortium or other Damages by immediate family members, relatives, or third parties.
 2. Any "Per Accident" Sub-limit limits the portion of the aggregate Limit of Liability the Insurer may be obliged to pay as the result of Bodily Injury and/or Property Damage claimed by all persons as a result of an Accident. Any Per Accident Sub-limits are expressly subject to any applicable Per Person Sub-limits.
- AA. "Suit" means any proceeding seeking recovery for Damages for Bodily Injury or Property Damage, including:
1. Any civil action filed in a court of law;
 2. An arbitration proceeding to which you must submit or do submit with our consent; or
 3. Any other alternative dispute resolution proceeding to which you submit with our consent.

SECTION VII— REIMBURSEMENT

In the event we provide a defense for an Insured under the Policy and it is at any time determined that any Claim or theory of recovery for which a defense has been provided by us is not covered under the Policy, we expressly reserve the right to seek reimbursement of any Damages and/or Claim Expenses associated with any such Claim or theory of recovery from the Insured, including reimbursement on a prorated basis for that portion of any Claim or theory of recovery not covered if multiple Claims or theories of recovery have been asserted.

SECTION VIII — CONFORMITY TO STATUTE & SEVERABILITY

Any portions of this Agreement that are not in conformity with federal, state, or local laws are to be deemed amended to conform to such laws. Further, the provisions of this Agreement are severable. If any portion, provision, or part of this Agreement is held, determined, or adjudicated to be invalid, unenforceable, or void for any reason whatsoever, each such portion, provision, or part shall be severed from the remaining portions, provisions or parts of this Agreement and shall not affect the validity or enforceability of any remaining portions, provisions, or parts.

SECTION IX — MUTUAL AFFIRMATION

Pursuant to the signature, facsimile or otherwise, appearing on the Application, quote, warranty form, Policy, or any other document provided to the Insurer to obtain insurance coverage, the parties affirm that all provisions serve to embody and articulate the entire agreement between the parties hereto, and that the parties unqualifiedly accept and agree to abide by the terms and conditions of the Policy.

SECTION X — GOVERNING LAW

This Agreement is entered into in the State of Utah and the Agreement, and any rights, remedies, or obligations provided for in this Agreement, shall be construed and enforced in accordance with the laws of Utah.

SECTION XI — CONSENT TO EXCLUSIVE JURISDICTION

The Insured understands and acknowledges that the Underwriter conducts its business activities, including underwriting, risk management and claims services within the State of Utah. The Insured represents and acknowledges that the Insured has purposefully directed its actions to procure the insurance services of the Underwriter within the State of Utah and, for that purpose, will make continuous and systematic requests for the Underwriter's services in the State of Utah. The Insured acknowledges that, by entering into this policy of insurance, the Insured is deemed to be transacting business within the State of Utah such that the courts of Utah may exercise jurisdiction over it regarding any issues arising out of this Policy. In addition, the Insured hereby understands and consents to the jurisdiction of the courts in the State of Utah and agrees that those courts shall be the exclusive forum for the resolution of any claims or disputes arising between the parties related to any insurance coverage issues and any payments due the Insured under the Policy, unless both the Underwriter and Insured agree otherwise in writing.

State:	Texas	Filing Company:	Tank Owner Members Insurance Company
TOI/Sub-TOI:	General Liability/Pollution Liability		
Product Name:	Pollution Liability		
Project Name/Number:	/		

Filing at a Glance

Company:	Tank Owner Members Insurance Company
Product Name:	Pollution Liability
State:	Texas
TOI:	General Liability
Sub-TOI:	Pollution Liability
Filing Type:	Rate
Date Submitted:	10/24/2017
SERFF Tr Num:	TEXS-131241913
SERFF Status:	Closed-CL-Closed; No additional info required at this time
State Tr Num:	S647366
State Status:	CL-Closed; No additional info required at this time
Co Tr Num:	TX-2018-1
Effective Date	01/01/2018
Requested (New):	
Effective Date	01/01/2018
Requested (Renewal):	
Author(s):	
Reviewer(s):	David Boon (primary), Barbara Toynes
Disposition Date:	10/26/2017
Disposition Status:	CL-Closed; No additional info required at this time
Effective Date (New):	
Effective Date (Renewal):	

State: Texas
TOI/Sub-TOI: General Liability/Pollution Liability
Product Name: Pollution Liability
Project Name/Number: /

Filing Company: Tank Owner Members Insurance Company

General Information

Project Name: Status of Filing in Domicile: Authorized
Project Number: Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 10/26/2017
State Status Changed: 10/26/2017
Created By: Barbara Toynes
Corresponding Filing Tracking Number: Deemer Date:
State TOI: General Liability Submitted By: Barbara Toynes
State Sub-TOI: Pollution Liability

Filing Description:

Company and Contact

Filing Contact Information

DeeDee Byrne, Underwriting Manager
1600 West Seventh Street
Fort Worth, TX 76102

SERFF@tdi.texas.gov
817-336-1336 [Phone]
817-339-3138 [FAX]

Filing Company Information

Tank Owner Members Insurance
Company
1600 West Seventh Street
Fort Worth, TX 76102
(817) 336-1336 ext. [Phone]

CoCode: 10085
Group Code:
Group Name:
FEIN Number: 74-2564217

State of Domicile: Texas
Company Type: Casualty
State ID Number:

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

Deemer waived under 28 TAC 5.9321? (Policy form, endorsement/amendments) Yes or No; All other file types N/A:
Limits on requests for information waived under 28 TAC 5.9336? (Rates) Yes or No; All other file types N/A:

State:	Texas	Filing Company:	Tank Owner Members Insurance Company
TOI/Sub-TOI:	General Liability/Pollution Liability		
Product Name:	Pollution Liability		
Project Name/Number:	/		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
CL-Closed; No additional info required at this time	David Boon	10/26/2017	10/26/2017

State:	Texas	Filing Company:	Tank Owner Members Insurance Company
TOI/Sub-TOI:	General Liability/Pollution Liability		
Product Name:	Pollution Liability		
Project Name/Number:	/		

Disposition

Disposition Date: 10/26/2017

Effective Date (New):

Effective Date (Renewal):

Status: CL-Closed; No additional info required at this time

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Tank Owner Members Insurance Company	-7.000%	-6.900%	\$-222,811	695	\$3,229,140	17.800%	-47.300%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	P&C Transmittal Form		Yes
Supporting Document	Actuarial Support		Yes
Supporting Document	Filing Memorandum (Rates)		Yes
Supporting Document	TDI Rate Exhibits		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	Acknowledgement Letter		Yes
Rate	Rates		Yes

State:	Texas	Filing Company:	Tank Owner Members Insurance Company
TOI/Sub-TOI:	General Liability/Pollution Liability		
Product Name:	Pollution Liability		
Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: %

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Tank Owner Members Insurance Company	-7.000%	-6.900%	\$-222,811	695	\$3,229,140	17.800%	-47.300%

State:	Texas	Filing Company:	Tank Owner Members Insurance Company
TOI/Sub-TOI:	General Liability/Pollution Liability		
Product Name:	Pollution Liability		
Project Name/Number:	/		

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Rates	1-3	Replacement		10 - Tank Rating Schedule.pdf

State:	Texas	Filing Company:	Tank Owner Members Insurance Company
TOI/Sub-TOI:	General Liability/Pollution Liability		
Product Name:	Pollution Liability		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	P&C Transmittal Form
Comments:	
Attachment(s):	Redacted transmittal.pdf Company Email_Redacted.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Support
Comments:	
Attachment(s):	9 - Actuarial Support.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Filing Memorandum (Rates)
Comments:	
Attachment(s):	8 - FilingMemo.pdf
Item Status:	
Status Date:	

Satisfied - Item:	TDI Rate Exhibits
Comments:	
Attachment(s):	2 - TDI Exh A.pdf 3 - TDI Exh B.pdf 4 - TDI Exh C.pdf 5 - TDI Exh D.pdf 6 - TDI Exh E.pdf 7 - TDI Exh L.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Cover Letter
Comments:	
Attachment(s):	A Coverletter.pdf
Item Status:	
Status Date:	

SERFF Tracking #:	TEXS-131241913	State Tracking #:	S647366	Company Tracking #:	TX-2018-1
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State:	Texas	Filing Company:	Tank Owner Members Insurance Company
TOI/Sub-TOI:	General Liability/Pollution Liability		
Product Name:	Pollution Liability		
Project Name/Number:	/		

Satisfied - Item:	Acknowledgement Letter
Comments:	
Attachment(s):	S647366.pdf
Item Status:	
Status Date:	

Rating for Tank Owner Members Insurance Company- Texas

Additional Insured Premiums: \$100

Third Party only: Rate with schedule below and apply 57% credit to the site

	percent		base		base		base
	DR or CR		new		replace		upgrade
policy limits		\$	250.00	\$	340.00	\$	420.00
500,000/1MM	-0.150	\$	(37.50)	\$	(51.00)	\$	(63.00)
1mm/1mm	0.000	\$	-	\$	-	\$	-
1mm/2mm	0.080	\$	20.00	\$	27.20	\$	33.60
1mm/3mm	0.150	\$	37.50	\$	51.00	\$	63.00
1mm/5mm	0.200	\$	50.00	\$	68.00	\$	84.00
defense limits							
100,000	-0.250	\$	(62.50)	\$	(85.00)	\$	(105.00)
250,000	-0.200	\$	(50.00)	\$	(68.00)	\$	(84.00)
500,000	-0.150	\$	(37.50)	\$	(51.00)	\$	(63.00)
1,000,000	0.000	\$	-	\$	-	\$	-
deductible							
5,000	0.000	\$	-	\$	-	\$	-
10,000	-0.075	\$	(18.75)	\$	(25.50)	\$	(31.50)
25,000	-0.150	\$	(37.50)	\$	(51.00)	\$	(63.00)
50,000	-0.225	\$	(56.25)	\$	(76.50)	\$	(94.50)
100,000	-0.250	\$	(62.50)	\$	(85.00)	\$	(105.00)
150,000	-0.275	\$	(68.75)	\$	(93.50)	\$	(115.50)
250,000	-0.350	\$	(87.50)	\$	(119.00)	\$	(147.00)
500,000	-0.400	\$	(100.00)	\$	(136.00)	\$	(168.00)
Retro date							
0 to 1	0.000		-		-		-
2 to 5 year	0.100	\$	25.00	\$	34.00	\$	42.00
6 to 10 year	0.200	\$	50.00	\$	68.00	\$	84.00
11 to 15 year	0.300	\$	75.00	\$	102.00	\$	126.00
16 to 20	0.400	\$	100.00	\$	136.00	\$	168.00
20 years +	0.500	\$	125.00	\$	170.00	\$	210.00
Prior Contamination							
none	0.000		-		-		-
confirmed release	0.100	\$	25.00	\$	34.00	\$	42.00
on & off site	0.250	\$	62.50	\$	85.00	\$	105.00
Age of tanks							
1 to 2 yrs	0.000	\$	-	\$	-	\$	-
3 to 5 yrs	0.050	\$	12.50	\$	17.00	\$	21.00
6 to 8 yrs	0.100	\$	25.00	\$	34.00	\$	42.00
9 to 11 yrs	0.150	\$	37.50	\$	51.00	\$	63.00
12 to 15 yrs	0.200	\$	50.00	\$	68.00	\$	84.00
16 to 20 yrs	0.300	\$	75.00	\$	102.00	\$	126.00
21 to 25	0.400	\$	100.00	\$	136.00	\$	168.00
26 to 34	0.500	\$	125.00	\$	170.00	\$	210.00
35 to 44	0.600	\$	150.00	\$	204.00	\$	252.00
45 +	0.700	\$	175.00	\$	238.00	\$	294.00

Rating for Tank Owner Members Insurance Company- Texas

Additional Insured Premiums: \$100

Third Party only: Rate with schedule below and apply 57% credit to the site

	percent DR or CR	base new	base replace	base upgrade
Leak Detection				
required leak detection	0.000 \$	- \$	- \$	-
interstitial monitoring	-0.150 \$	(37.50) \$	(51.00) \$	(63.00)
sump monitors	-0.150 \$	(37.50) \$	(51.00) \$	(63.00)
Site Capacity (Above Ground Tanks Only)				
100,000 or less	0.000 \$	- \$	- \$	-
101,000 to 150,000	0.100 \$	25.00 \$	34.00 \$	42.00
151,000 to 200,000	0.150 \$	37.50 \$	51.00 \$	63.00
201,000 to 250,000	0.200 \$	50.00 \$	68.00 \$	84.00
over 250,000	0.250 \$	62.50 \$	85.00 \$	105.00
Construction				
single walled	0.000 \$	- \$	- \$	-
Dbl/wall tanks	-0.300 \$	(75.00) \$	(102.00) \$	(126.00)
composit tanks	-0.150 \$	(37.50) \$	(51.00) \$	(63.00)
dbl/wall pipes	-0.150 \$	(37.50) \$	(51.00) \$	(63.00)
dble wall flex pipe	0.000 \$	- \$	- \$	-

minimum site premiums ***** No min site premium
 minimum policy premium:
 \$ 350.00

base definitions:

New New tanks in a new tank pit that were installed in accordance with the 2005 EPA Energy Act rules compliance.

Replacement Tanks installed in a tank bed that had previous tanks in the same location.

Upgrade Tanks installed prior to the EPA Energy Act rules. Tanks that have been retro-fitted to meet the 1998 leak detection and corrosion protection standards.

Rating for Tank Owner Members Insurance Company- Texas

Schedule Rating

A schedule rating modification may also be applied to the otherwise chargeable premium in accordance with the following table, subject to a maximum credit or debit of 40%, to reflect such characteristics of the risk as are not reflected in Tank Rating Schedule.

Risk Characteristic	Description	Range of Modifications		
		Credit		Debit
Premises	Condition and care of premises, concrete, asphalt, or dirt lots. Tanks secure from theft or vandalism or tampering	15%	To	15%
Equipment	Type, condition and care of gas pumping equipment (above the ground dispensers)	15%	To	15%
Classification	Peculiarities of classification	10%	To	10%
Geology	Direction of ground water, proximity to surface water or aquifers	15%	To	15%
Tank Management	Quality of inventory control records. Self-site inspections	10%	To	10%

Line of Business	Pollution Liability
Company Filing Number	TX-2018-1
Company NAIC Number	10085
Overall Pct. of Last Revision:	7.70%
Effective Date of Last Revision - New	8/1/2010
Effective Date of Last Revision - Renewal	8/1/2010

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change	Minimum % Change
Tank Owner Members Insurance Company	-7.00%	-6.90%	-222,811	695	3,229,140	17.80%	-47.30%



Texas Department of Insurance

Property & Casualty Program - Actuarial Division, Mail Code 105-5F

333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104

512-475-3017 telephone • 512-463-6122 fax • www.tdi.texas.gov

Texas Department of Insurance

Property/Casualty Rate Filing Exhibit

Company Name: Tank Owner Members Ins Co

Company NAIC Number: 10085

Company Filing Number: TX-2018-1

Line: Pollution Liability

Page: 3 of: 5

Exhibit E - Expense Information - Including Disallowed Expense Adjustment (Page 1 of 2)

Coverage/Form: Pollution Liability

UNDERWRITING EXPENSES AS PERCENTS OF DIRECT PREMIUMS WRITTEN							
TEXAS (Annual Statement Statutory Page 14)	2014		2015		2016		Mean Percent
	Amount (000)	Percent	Amount (000)	Percent	Amount (000)	Percent	
1. Premiums Written	\$3,357	---	\$3,260	---	\$3,229	---	---
2. Premiums Earned	\$3,487	%	\$3,297	%	\$3,232	%	%
3. Commission & Brokerage Expenses Incurred	\$0	%	\$0	%	\$0	%	0 %
4. Taxes, Licenses & Fees Incurred	\$55	1.6 %	\$28	0.9 %	\$53	1.6 %	1.4 %
COUNTRYWIDE							
5. Premiums Written (IEE, Part III)	\$3,357	---	\$3,260	---	\$3,229	---	---
6. Premiums Earned (IEE, Part III)	\$3,487	%	\$3,297	%	\$3,232	%	%
7. Commission & Brokerage Expenses Incurred (IEE, Part III)	\$0	%	\$0	%	\$0	%	0.0 %
8. Other Acquisition Expenses Incurred (IEE, Part III)	\$43	---	\$35	---	\$32	---	---
a. Disallowed Advertising Expenses	\$	---	\$	---	\$	---	---
b. Adjusted Other Acquisition Expenses Incurred	\$	%	\$	%	\$	%	%
9. General Expenses Incurred (IEE, Part III)	\$676	19.4 %	\$656	19.9 %	\$658	20.4 %	---
a. Loss Control & Safety Engineering Expenses	\$	%	\$	%	\$	%	%
b. Lobbying Expenses	\$	---	\$	---	\$	---	---
c. Amounts Paid by an Insurer as Damages in a Suit Against the Insurer for Bad Faith or as Fines or Penalties for Violation of Law	\$	---	\$	---	\$	---	---
d. Contributions to Organizations Engaged in Legislative Advocacy	\$	---	\$	---	\$	---	---
e. Fees & Penalties Imposed on the Insurer for Civil or Criminal Violations of Law	\$	---	\$	---	\$	---	---
f. Contributions to Social, Religious, Political or Fraternal Organizations	\$	---	\$	---	\$	---	---
g. Fees & Assessments Paid to Advisory Organizations	\$	---	\$	---	\$	---	---
h. Disallowed General Expenses	\$	%	\$	%	\$	%	---
i. Adjusted General Expense Percent	---	19.4 %	---	19.9 %	---	20.4 %	%
j. Formula General Expense Percent	---	5.6 %	---	6.0 %	---	%	6.0 %

Attach additional Exhibit E pages as needed.

Company Name: Tank Owner Members Ins Co
Company NAIC Number: 10085
Company Filing Number: TX-2018-1
Line: Pollution Liability
Page: 4 **of:** 5

Exhibit E - Expense Information - Including Disallowed Expense Adjustment (Page 2 of 2)

Coverage/Form: Pollution Liability

LOSS ADJUSTMENT EXPENSES AS PERCENTS OF DIRECT INCURRED LOSSES

Texas (Annual Statement Statutory Page 14)	2014		2015		2016		Mean Percent
	Amount (000)	Percent	Amount (000)	Percent	Amount (000)	Percent	
10. Direct Incurred Losses	\$ 1,320	---	\$ 468	---	\$ 1,777	---	---
11. DCCE	\$ 399	30 %	\$ (1,030)	%	\$ 27	1.5 %	15 %
Countrywide (IEE, Part III)							
12. Direct Incurred Losses	\$ 1,290	---	\$ 472	---	\$ 1,722	---	---
13. DCCE Incurred	\$ 395	%	\$ (1,032)	%	\$ 27	%	%
14. Adjusting and Other Expenses Incurred	\$ 46	%	\$ (11)	%	\$ 103	%	%

EXPENSE PROVISIONS UNDERLYING YOUR PROPOSED RATES, AS A PERCENT OF PREMIUM

15. Commission & Brokerage Expenses Incurred	0.0 %
16. Other Acquisition Expenses Incurred	7.0 %
17. General Expenses Incurred	6.0 %
18. Taxes, Licenses & Fees Incurred	1.6 %
19. Profit	5.0 %
20. Total Expenses & Profit (sum of Lines 15 through 19)	19.6 %
21. Permissible Loss & LAE Ratio (1 - Line 20)	80.4 %

LOSS ADJUSTMENT EXPENSE PROVISIONS UNDERLYING YOUR PROPOSED RATES, AS A PERCENT OF LOSSES

22. DCCE	%
23. Adjusting and Other Expenses	%
24. Total LAE (sum of Lines 22 & 23)	N/A %

Attach additional Exhibit E pages as needed.

FILING MEMORANDUM
POLLUTION LIABILITY and CLEANUP COVERAGE RATES

This filing is a “re-filing” of Tank Owner Members Insurance Company’s (TOMIC) Texas rate filing S646560 (TX-2017-1) which was initially submitted in November 2016. The proposed effective date of the revised rates is 1/1/2018.

The narrative below and the ratemaking methodology are the same as that included in the original filing. At the request of the TDI, the Company has updated the following items:

1. General Expenses have been limited to 110% of the Industry median.
2. The Experience period has been updated from 2004 through 2014 to 2005 through 2015.
3. The IEE information for TOMIC has been updated to 2014 through 2016.
4. Loss Development exhibits have been updated using the 12/31/2016 actuarial report.
5. TDI Exhibit D has been updated through 2016.

The revised rate level indication of -7.0% from the old tank rating schedule in effect prior to 1/1/2017 has been implemented via a reduction on the base rates (see Exhibits 1a and 7b). The original rate filing (S646560, TX-2017-1) had produced a +3.5% change over the old tank rating schedule.

Background

The Company has offered third party pollution liability coverage since its inception on 1991. Effective 12/22/1998, the Company added first party cleanup coverage to its policy. This date corresponded to the date the Texas Petroleum Storage Tank Remediation Fund ceased to provide funding for cleanup expenses on new releases. Effective with the 1998 addition of cleanup coverage to the policy, TOMIC implemented the current version of the Tank Rating Schedule.

Federal and State laws and rules have over time rendered a number of the rating elements in the current rating schedule obsolete or immaterial. The first and most important was the 2005 EPA Energy Act and rules. This Act was further updated in 2015. Among other items, these laws and rules made leak detection and monitoring mandatory. Further, steel tanks have become obsolete being replaced with fiberglass or other composite materials. Thus, rating elements in the schedule such as “continuous leak detection”, “overfill-spill containment”, and “piping systems” have become obsolete since new tanks all have this equipment and / or older tanks have been upgraded to comply with the new rules. Further, the current “tank construction” and “line construction” rating elements contain debits for “steel” and “unimproved” categories, both of which comprise only a small percentage of today’s tank population.

In today's UST environment, the most important risk characteristic is the age of the tank. Also somewhat related to age of the tank is whether the tank was installed "new"; or was "replaced"; or was "upgraded". The proposed Tank Rating Schedule has these items as the major rating criteria.

Age of Tank

The current tank rating schedule extends to tank age 25 years and older. Based on the Company's historical experience (see exhibit 7a), it proposed to refine and extend the Age of Tank rating to 45 years and older along with base rates for New, Replace and Upgrade tanks.

Overall Rate Level Change – New Rating Schedule

The proposed rating schedule is sufficiently different for the current rating schedule that the most accurate way to estimate the rate level change would be to re-rate Texas renewals for a couple of months under both schedules. This was accomplished and the results displayed in Exhibit 7b. The estimated rate level change for this filing is -6.9%, slightly below the -7.0% indication due to rounding of the base rates.

Overall Texas Rate Level Indication – Loss Ratio Method

The indicated statewide rate level change based on the Company's Texas experience is detailed in Exhibits 1 through 6. The loss ratio method is used to determine the indicated changes in rate level. The latest eleven complete incident years ending with the 2015 incident year comprise the experience period in this analysis. It is noted that the 2016 experience year is not included due to the latent reporting of claims under the Company's policy. The policy does provide coverage on a claims-made basis. However, a claim is "made" or "reported" when an underground petroleum storage tank experiences a release. Each such release is required to be reported to the state regulatory authority (TCEQ) and is assigned a number. Each release is called an "incident" and triggers coverage under the claims made policy. However, actual or requested damages may not emerge until sometime in the future, often years later. Thus, reporting patterns are latent in nature and reportings for the most recent year are often minimal.

Case incurred losses and allocated loss adjustment expenses are developed to an ultimate basis and trended forward to the midpoint of the prospective rate period. Unallocated loss adjustment expense is included via a factor to the developed and trended incurred loss and ALAE. Each pollution incident year's projected loss and loss adjustment expense is divided by its respective earned premiums at the present rate level.

A rate level loss and loss adjustment expense ratio is selected from among various averages. The selected loss and loss adjustment ratio is utilized along with the fixed and variable expense ratios to determine the indicated rate level change of -7.0%. See Exhibit 1.

LOSS DEVELOPMENT

TOMIC case incurred loss and ALAE history is used as the basis for calculating loss development factors. Separate loss development triangles are provided for 3rd party pollution liability and cleanup coverage. See Exhibit 6 for derivation of the loss development factors.

TREND

Severity trend is selected from an array of general liability basic limits trends published by ISO. Owner / operators of petroleum storage tanks are a premises (OL&T) type risk. 100% of the cleanup losses and virtually all the third party liability claims to date have been property damage claims. Thus, the OL&T annual severity trend for property damage liability of 5% is selected for use in this filing. See Exhibit 5.

OPERATING EXPENSES

Expense provisions are based on the latest three years of TOMIC's operating expense data. Business is produced in Texas via direct mail or phone. Thus, virtually all expenses are shown under general expense in the IEE.

Given the size of the Company and the line of business written, TOMIC purchases both excess of loss and aggregate reinsurance protection. The cost of this reinsurance is 24.5% of the direct written premium. We have estimated that 24% of the ceded premium represents the reinsurer's expenses, profit, and risk margins. Commonly referred to as the net cost of reinsurance, we have included 5.9% ($24.5\% \times .24 = 5.9\%$) in the expense provisions of this filing. See Exhibit 3.

PROFIT and CONTINGENCIES

The underwriting profit and contingencies provision is determined using a calendar year accounting type model. This model is a total return model, utilizing income from all sources. The Company's leverage ratio of premium to surplus and its distribution of assets by type of investment are employed in the model. See Exhibit 8, pages 1 through 3 for details.

Schedule Rating

The Company's current Tank Rating Schedule allows schedule rating with limits of +/-25%. With this filing, the Company is increasing the maximum / minimum schedule rating limits to +/-40%. This will allow the Company to be more competitive in the market. Although it is not expected, the higher schedule rating limits will allow the Company the ability to moderate any unusual or outlying result of the new rating schedule on an individual risk.

**TANK OWNER MEMBERS INSURANCE COMPANY
TEXAS
POLLUTION LIABILITY and CLEAN-UP COVERAGE**

INDICATED RATE LEVEL CHANGE

	(1)	(2)	(3)	(4)	(5)	(6)
Calendar/ Incident Year	Earned Premium @Present Rate Level	Incurred Loss and DCCE developed to ultimate	Trend to 1/1/2019	Factor to include ULAE	Rate Development Loss & LAE (2)x(3)x(4)	Loss & LAE Ratio (5) / (1)
2005	4,560,489	1,795,529	1.932	1.033	3,583,837	0.786
2006	4,426,198	5,138,003	1.840	1.033	9,766,994	2.207
2007	4,324,642	2,901,008	1.753	1.033	5,252,017	1.214
2008	3,730,755	1,235,941	1.669	1.033	2,131,010	0.571
2009	3,682,290	594,682	1.590	1.033	976,526	0.265
2010	3,634,372	1,575,420	1.514	1.033	2,463,802	0.678
2011	3,448,417	1,592,546	1.442	1.033	2,371,985	0.688
2012	3,518,655	520,354	1.373	1.033	738,125	0.210
2013	3,394,496	1,307,747	1.308	1.033	1,766,709	0.520
2014	3,443,041	294,019	1.246	1.033	378,292	0.110
2015	3,260,068	1,827,663	1.186	1.033	2,239,541	0.687
	41,423,421				31,668,839	0.765
(7)	Weighted Average Loss & Loss Adjustment expense ratio:					0.765
	Arithmetic Average Loss & Loss Adjustment expense ratio:					0.721
	Average					0.743
(8)	Selected Loss & Loss Adjustment expense ratio:					0.743
(9)	Fixed Expense Ratio					0.071
(10)	Expected Loss/LAE/fixed expense ratio					0.875
(11)	Indicated Change = [(8)+(9)]/(10)					0.930
(12)	Indicated Change as a %					-7.0%
(13)	Selected Rate Level Change					-6.9%

**TANK OWNER MEMBERS INSURANCE COMPANY
TEXAS
POLLUTION LIABILITY and CLEAN-UP COVERAGE**

**Tank Rating Schedule
Revised Base Rates**

Effect of New Tank
Rating Schedule
over
Old Tank Rating
Schedule
using
Base rates
shown below

	Tank Installation			
	New	Replace	Upgrade	
Original Rate Filing	\$300	\$400	\$500	3.5%
Revised rate Filing	\$250	\$340	\$420	-6.9%

See Exhibit 7b
for details

TANK OWNER MEMBERS INSURANCE COMPANY
LOSSES - Texas

A. 3rd Party Pollution Liability:

Pollution Incident	Case Incurred Loss + DCCE <u>Year</u> <u>at 12/31/2016</u>	LDF to <u>Ultimate</u>	Loss + DCCE Developed to <u>Ultimate</u>
2005	26,935	1.010	27,205
2006	4,322,869	1.010	4,366,098
2007	244,313	1.010	246,756
2008	0	1.061	0
2009	0	1.167	0
2010	0	1.400	0
2011	125,000	1.680	209,979
2012	0	2.352	0
2013	0	2.822	0
2014	0	3.245	0
2015	113,078	3.732	422,034

B. Cleanup Coverage:

Pollution Incident	Case Incurred Loss + DCCE <u>Year</u> <u>at 12/31/2016</u>	LDF to <u>Ultimate</u>	Loss + DCCE Developed to <u>Ultimate</u>
2005	1,750,816	1.010	1,768,324
2006	764,263	1.010	771,905
2007	2,627,972	1.010	2,654,251
2008	1,165,894	1.060	1,235,941
2009	547,924	1.085	594,682
2010	1,451,548	1.085	1,575,420
2011	1,239,466	1.115	1,382,567
2012	433,549	1.200	520,354
2013	1,036,361	1.262	1,307,747
2014	197,580	1.488	294,019
2015	759,354	1.851	1,405,629

C. Pollution Liability and Cleanup losses combined:

Pollution Incident	Case Incurred Loss + DCCE <u>Year</u> <u>at 12/31/2016</u>	Loss + DCCE Developed to <u>Ultimate</u>
2005	1,777,751	1,795,529
2006	5,087,132	5,138,003
2007	2,872,285	2,901,008
2008	1,165,894	1,235,941
2009	547,924	594,682
2010	1,451,548	1,575,420
2011	1,364,466	1,592,546
2012	433,549	520,354
2013	1,036,361	1,307,747
2014	197,580	294,019
2015	872,431	<u>1,827,663</u>
		18,782,911

TANK OWNER MEMBERS INSURANCE COMPANY

POLLUTION LIABILITY and CLEAN-UP COVERAGE

Expense Provisions - Texas

Commission & Brokerage	0.0%
Other Acquisition	1.1%
General Expense	6.0%
Taxes, Licenses, & Fees	1.6%
Net Cost of Reinsurance	5.9%
Profit & Contingencies	<u>5.0%</u>
Total	19.6%
Loss & Loss Adjustment Expense	<u>80.4%</u>
	100.0%

Total Fixed Expenses: 7.1%

Loss/LAE/Fixed Expense ratio: 87.5%

TANK OWNER MEMBERS INSURANCE COMPANY

OPERATING EXPENSE RATIOS

TEXAS

	Other Liability			Selected		
I. Acquisition Expenses:	2014	2015	2016			
Direct Premiums Written	3,357,000	3,260,000	3,229,000			
Direct Commission/Brokerage	0	0	0			
Commission Ratio	0.000	0.000	0.000			
3-year average		0.000		0.0%		
Direct Premiums Written	3,357,000	3,260,000	3,229,000			
Other Acquisition Expense	43,000	35,000	32,000			
Other Acquisition Ratio	0.013	0.011	0.010			
3-year average		0.011		1.1%		
II. General Expenses:						
Direct Premiums Earned	3,487,000	3,297,000	3,232,000			
General Expenses Incurred	676,000	656,000	658,000			
General Expense Ratio	0.194	0.199	0.204			
3-year average		0.199		6.0%		
III. Taxes, Licenses, Fees:						
Direct Premiums Written	3,357,000	3,260,000	3,229,000			
Direct Taxes, Licenses, Fees	55,000	28,000	53,000			
Tax Ratio	0.016	0.009	0.016			
3-year average		0.014		1.6%		
IV. Adjusting and Other Expenses (ULAE):	Other Liability					factor to
Sch P, Part1, Summary Direct&Assumed:	2012	2013	2014	2015	2016	apply to
Direct Loss & ALAE Incurred	1,897,000	3,002,000	2,891,000	2,999,000	3,586,000	to include
Adjusting & Other Exp. Incurred	87,000	80,000	67,000	83,000	157,000	ULAE
ULAE Ratio	0.046	0.027	0.023	0.028	0.044	
5-year average		0.033				1.033
4-year average				0.030		

Exhibit 4

Earned Premium at Present Rate Level
Tank Owners Members Insurance Company
TEXAS
Annual Policies

RATE CHANGE				<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>MO.</u>	<u>/ YR.</u>	<u>Change</u>	<u>CUM.</u>											
Prior --	Base	1.000	1.000											
12	/ 2000	0.805	0.805	0.500										
1	/ 2005	1.149	0.925	0.500	1.000	1.000	0.500							
1	/ 2008	1.079	0.998				0.500	1.000	0.913	0.170				
8	/ 2010	1.077	1.075						0.087	0.830	1.000	1.000	1.000	1.000
Prior --	Base		1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
12	/ 2000		0.805	0.403	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
1	/ 2005		0.925	0.462	0.925	0.925	0.462	0.000	0.000	0.000	0.000	0.000	0.000	0.000
1	/ 2008		0.998	0.000	0.000	0.000	0.499	0.998	0.911	0.170	0.000	0.000	0.000	0.000
8	/ 2010		1.075	0.000	0.000	0.000	0.000	0.000	0.094	0.892	1.075	1.075	1.075	1.075
AVERAGE INDEX:				0.865	0.925	0.925	0.961	0.998	1.005	1.062	1.075	1.075	1.075	1.075
ON-LEVEL FACTOR:				1.243	1.162	1.162	1.118	1.077	1.070	1.012	1.000	1.000	1.000	1.000

Calendar	Texas Actual Earned	On Level Factor	Earned Premium at Current Rate Level
<u>Year</u>	<u>Premium</u>		
2005	3,669,954	1.243	4,560,489
2006	3,808,848	1.162	4,426,198
2007	3,721,457	1.162	4,324,642
2008	3,337,214	1.118	3,730,755
2009	3,419,025	1.077	3,682,290
2010	3,397,139	1.070	3,634,372
2011	3,406,504	1.012	3,448,417
2012	3,518,655	1.000	3,518,655
2013	3,394,496	1.000	3,394,496
2014	3,443,041	1.000	3,443,041
2015	3,260,068	1.000	3,260,068

41,423,421

Pollution Liability and Clean-up Coverage

TREND

A. Severity Trend

Based on ISO OL&T Property Damage Trends

Selected annual trend 5.00%

Incident year	trend period to 1/1/2019 in years	Prospective trend factor
2005	13.50	1.932
2006	12.50	1.840
2007	11.50	1.753
2008	10.50	1.669
2009	9.50	1.590
2010	8.50	1.514
2011	7.50	1.442
2012	6.50	1.373
2013	5.50	1.308
2014	4.50	1.246
2015	3.50	1.186

TANK OWNER MEMBERS INSURANCE COMPANY
3rd Party Pollution Liability Coverage
Case Incurred Loss and DCCE

Exhibit 6
Page 1

TX & NM

Incident

Direct & Assumed

<u>Year</u>	<u>12mos.</u>	<u>24mos.</u>	<u>36mos.</u>	<u>48mos</u>	<u>60mos</u>	<u>72mos</u>	<u>84mos</u>	<u>96mos</u>	<u>108mos</u>	<u>120mos</u>	<u>132mos</u>	<u>144mos</u>
1998	284,594	328,489	391,822	356,822	456,822	697,716	1,026,929	1,344,888	1,396,362	2,031,001	1,338,189	1,338,190
1999	57,872	168,265	204,661	391,860	385,970	406,372	403,361	390,278	388,778	390,278	348,278	348,278
2000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	0	0
2001	35,500	84,634	96,634	73,550	71,050	71,050	59,050	59,050	59,050	59,050	24,550	24,550
2002	54,754	191,122	190,412	192,215	187,161	187,161	187,161	187,161	187,161	187,161	161,661	161,961
2003	33,000	49,000	49,000	45,167	43,667	45,167	43,068	43,068	43,068	43,068	14,568	14,568
2004	394,075	452,575	457,423	505,586	322,211	272,259	304,433	460,165	460,165	460,165	414,097	413,665
2005	147,102	96,192	63,710	75,921	77,936	77,936	77,936	77,936	77,936	77,936	26,936	26,936
2006	156,000	159,001	192,501	279,446	410,000	740,001	2,290,000	3,795,000	4,322,435	4,392,127	4,405,047	
2007	217,340	218,500	218,073	213,866	242,000	394,605	419,708	270,341	270,341	270,341		
2008	43,500	43,500	43,500	43,500	43,500	43,500	43,500	43,500	43,500			
2009	40,500	40,500	40,500	40,500	40,500	40,500	40,500	40,500				
2010	55,500	54,000	54,000	54,000	54,000	203,113	54,000					
2011	45,000	43,500	43,500	42,000	192,887	341,999						
2012	57,000	57,000	57,000	57,000	57,000							
2013	57,000	57,000	57,000	57,000								
2014	46,500	46,500	46,500									
2015	151,283	151,283										
2016	64,500											

Loss Development Factors

	<u>12 to 24</u>	<u>24 to 36</u>	<u>36 to 48</u>	<u>48 to 60</u>	<u>60 to 72</u>	<u>72 to 84</u>	<u>84 to 96</u>	<u>96 to 108</u>	<u>108 to 120</u>	<u>120 to 132</u>	<u>132 to 144</u>
1998	1.154	1.193	0.911	1.280	1.527	1.472	1.310	1.038	1.454	0.659	1.000
1999	2.908	1.216	1.915	0.985	1.053	0.993	0.968	0.996	1.004	0.892	1.000
2000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
2001	2.384	1.142	0.761	0.966	1.000	0.831	1.000	1.000	1.000		
2002	3.491	0.996	1.009	0.974	1.000	1.000	1.000	1.000	1.000	0.864	1.002
2003	1.485	1.000	0.922	0.967	1.034	0.954	1.000	1.000	1.000	0.338	1.000
2004	1.148	1.011	1.105	0.637	0.845	1.118	1.512	1.000	1.000	0.900	0.999
2005	0.654	0.662	1.192	1.027	1.000	1.000	1.000	1.000	1.000	0.346	1.000
2006	1.019	1.211	1.452	1.467	1.805	3.095	1.657	1.139	1.016	1.003	
2007	1.005	0.998	0.981	1.132	1.631	1.064	0.644	1.000	1.000		
2008	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000			
2009	1.000	1.000	1.000	1.000	1.000	1.000	1.000				
2010	0.973	1.000	1.000	1.000	3.761	0.266					
2011	0.967	1.000	0.966	4.593	1.773						
2012	1.000	1.000	1.000	1.000							
2013	1.000	1.000	1.000								
2014	1.000	1.000									
2015	1.000										
3 yr. wt.				1.986	2.038	0.481	0.703	1.128	1.015	0.983	
5 yr. wt.				1.637	1.787	2.003	1.472	1.114	1.013	0.973	
All Wt.	1.191	1.055	1.122	1.089	1.388	1.551	1.368	1.086	1.097	0.877	1.000
x- hi-low	1.253	1.037	1.038	1.061	1.235	1.039	1.079	1.004	1.002	0.666	
Selected	1.300	1.150	1.150	1.200	1.400	1.200	1.200	1.100	1.050	1.000	1.000
Cum'l	4.852	3.732	3.245	2.822	2.352	1.680	1.400	1.167	1.061	1.010	1.010

TANK OWNER MEMBERS INSURANCE COMPANY

Cleanup Coverage

Case Incurred Loss and DCCE

TX & NM

Incident	Direct & Assumed											
<u>Year</u>	<u>12mos.</u>	<u>24mos.</u>	<u>36mos.</u>	<u>48mos.</u>	<u>60mos.</u>	<u>72mos.</u>	<u>84mos.</u>	<u>96mos.</u>	<u>108mos.</u>	<u>120mos.</u>	<u>132mos.</u>	<u>144mos.</u>
2001	625,535	689,838	789,622	766,599	1,068,304	1,118,303	1,105,254	1,060,928	979,652	970,229	925,229	925,229
2002	292,263	332,111	294,299	293,408	251,841	251,841	266,840	260,154	260,154	260,154	255,154	254,854
2003	611,551	942,356	1,111,380	1,088,768	1,087,381	1,310,910	1,323,810	1,241,170	1,242,499	1,429,253	1,429,253	1,429,253
2004	1,644,548	2,281,235	2,425,384	2,486,243	3,085,329	3,046,933	2,728,984	2,647,759	2,617,759	2,626,874	2,626,874	2,626,874
2005	595,346	1,061,051	1,417,217	1,425,646	1,631,007	1,750,734	1,710,497	1,707,548	1,822,546	2,042,088	1,846,465	1,746,464
2006	1,453,264	1,434,039	1,368,039	1,384,178	1,301,763	1,315,066	1,139,232	1,083,237	1,223,238	1,223,238	838,238	
2007	1,404,388	1,566,007	2,276,628	2,313,000	2,250,588	2,635,169	2,758,288	2,789,200	2,793,726	2,930,167		
2008	682,000	1,851,835	1,704,456	1,515,530	1,477,218	1,447,218	1,447,218	1,405,320	1,405,320			
2009	326,999	470,700	464,963	545,474	663,189	681,427	687,672	727,671				
2010	1,190,850	1,240,000	1,676,236	1,697,101	1,588,323	1,662,973	1,924,256					
2011	595,000	752,144	882,144	1,157,783	1,058,460	1,417,950						
2012	231,999	279,758	433,090	549,587	541,792							
2013	798,024	815,811	1,039,448	1,069,478								
2014	557,037	702,065	683,282									
2015	399,157	868,320										
2016	752,572											

Loss Development Factors

	<u>12 to 24</u>	<u>24 to 36</u>	<u>36 to 48</u>	<u>48 to 60</u>	<u>60 to 72</u>	<u>72 to 84</u>	<u>84 to 96</u>	<u>96 to 108</u>	<u>108 to 120</u>	<u>120 to 132</u>	<u>132 to 144</u>	
2001		1.145	0.971	1.394	1.047	0.988	0.960	0.923	0.990	0.954	1.000	
2002	1.136	0.886	0.997	0.858	1.000	1.060	0.975	1.000	1.000	0.981	0.999	
2003	1.541	1.179	0.980	0.999	1.206	1.010	0.938	1.001	1.150	1.000	1.000	
2004	1.387	1.063	1.025	1.241	0.988	0.896	0.970	0.989	1.003	1.000	1.000	
2005	1.782	1.336	1.006	1.144	1.073	0.977	0.998	1.067	1.120	0.904	0.946	
2006	0.987	0.954	1.012	0.940	1.010	0.866	0.951	1.129	1.000	0.685		
2007	1.115	1.454	1.016	0.973	1.171	1.047	1.011	1.002	1.049			
2008	2.715	0.920	0.889	0.975	0.980	1.000	0.971	1.000				
2009	1.439	0.988	1.173	1.216	1.028	1.009	1.058					
2010	1.041	1.352	1.012	0.936	1.047	1.157						
2011	1.264	1.173	1.312	0.914	1.340							
2012	1.206	1.548	1.269	0.986								
2013	1.022	1.274	1.029									
2014	1.260	0.973										
2015	2.175											
Wt. 3	1.360	1.199	1.179	0.937	1.137	1.071	1.006	1.027	1.061	0.901	0.983	
Wt. 5	1.324	1.244	1.116	0.975	1.115	1.028	0.996	1.024	1.057	0.923	0.986	
All Wt.	1.340	1.149	1.026	1.051	1.076	0.992	0.981	1.012	1.050	0.926	0.986	
												Tail
Selected	1.340	1.244	1.179	1.051	1.076	1.028	1.000	1.024	1.050	1.000	1.000	1.010
Cumulative	2.481	1.851	1.488	1.262	1.200	1.115	1.085	1.085	1.060	1.010	1.010	1.010

TANK OWNER MEMBERS INSURANCE COMPANY
Countrywide Experience by Tank Age for the period: 2004 - 2014

Exhibit 7a

Frequency:

age	age	Tank count	2004 - 2014 Incidents	Frequency per Mil tanks
1yr	to 3yr	4,786	8	1.67
4yr	to 6yr	5,609	10	1.78
7yr	to 10yr	10,301	21	2.04
11yr	to 14yr	19,982	39	1.95
15yr	to 19yr	25,924	83	3.20
20yr	to 24yr	36,108	96	2.66
25yr	to 29yr	33,407	126	3.77
30yr	to 39yr	25,131	92	3.66
40yr	& over	7,163	26	3.63
		168,411	501	2.97

age	age	Tank count	2004 - 2014 Incidents	Frequency per Mil tanks
1yr	to 10yr	20,696	39	1.88
11yr	to 19yr	45,906	122	2.66
20yr	to 29yr	69,515	222	3.19
30yr	& over	32,294	118	3.65
		168,411	501	2.97

**Relativity to
1yr to 10yr
aged tanks**

1.000

1.410

1.695

1.939

Loss Costs:

(\$300,000)

age	age	Tank count	Limited Incurred Loss	Loss Cost per tank
1yr	to 3yr	4,786	478,554	\$99.99
4yr	to 6yr	5,609	432,122	\$77.04
7yr	to 10yr	10,301	143,216	\$13.90
11yr	to 14yr	19,982	880,022	\$44.04
15yr	to 19yr	25,924	1,592,156	\$61.42
20yr	to 24yr	36,108	1,849,771	\$51.23
25yr	to 29yr	33,407	3,418,329	\$102.32
30yr	to 39yr	25,131	2,442,941	\$97.21
40yr	& over	7,163	553,312	\$77.25
		168,411	11,790,423	\$70.01

age	age	Tank count	Limited Incurred Loss	Loss Cost per tank
1yr	to 10yr	20,696	1,053,892	\$50.92
11yr	to 19yr	45,906	2,472,178	\$53.85
20yr	to 29yr	69,515	5,268,100	\$75.78
30yr	& over	32,294	2,996,253	\$92.78
		168,411	11,790,423	\$70.01

**Relativity to
1yr to 10yr
aged tanks**

1.000

1.058

1.488

1.822

Recap:

age	age	Claim Frequency relativity	Loss Cost relativity
1yr	to 10yr	1.000	1.000
11yr	to 19yr	1.410	1.058
20yr	to 29yr	1.695	1.488
30yr	& over	1.939	1.822

Exhibit 7b

Renewal									Current	Original	Revised		
number	limits:	deduct:	tanks	pipng			retro	prior		Rate Plan	Filing New	Filing New	
			dw/sw	dw/sw	tank type:	tank age:	date	contam.	# tanks:	premium:	premium:	premium:	
#1	1M/2M/1M	5K	SW	SW	upgrade	20 yrs	18	no	1	\$856	\$890	\$810	
#2	1M/2M/1M	10K	SW	SW	replacement	23 yrs	17	no	2	\$1,386	\$1,444	\$1,324	
#3	1M/2M/1M	5K	SW	DW	upgrade	48 yrs	18	no	5	\$3,968	\$5,075	\$4,675	
#4	1M/2M/1M	5K	SW	SW	upgrade	18 yrs	35	no	1	\$875	\$940	\$860	
#5	1M/2M/1M	5K	SW	SW	upgrade	25 yrs	18	no	2	\$1,689	\$1,880	\$1,720	
#6	1M/2M/1M	25K	SW	SW	upgrade	44 yrs	17	no	2	\$1,794	\$1,930	\$1,770	
#7	1M/2M/1M	5K	DW	DW	upgrade	20 yrs	17	no	2	\$1,234	\$1,330	\$1,170	
#8	1M/2M/1M	25K	SW	SW	upgrade	36 yrs	17	no	4	\$3,336	\$3,860	\$3,540	
#9	1M/2M/1M	5K	SW	SW	upgrade	56 yrs	15	no	3	\$3,082	\$3,120	\$2,880	
#10	1M/2M/1M	10K	SW	SW	upgrade	35 yrs	11	no	3	\$2,707	\$2,858	\$2,618	
#11	1M/2M/1M	10K	SW	SW	upgrade	35 yrs	11	no	3	\$2,702	\$2,858	\$2,618	
#12	1M/2M/1M	\$5K	sw/dw/sw	sw/dw/sw	upgrade	24/20/24 yrs	16	no	3	\$2,157	\$2,770	\$2,530	
#13	1M/1M/1M	\$5K	sw	sw	upgrade	30 yrs.	14	no	1	\$1,127	\$900	\$820	
#14	1M/1M/1M	\$10K	dw	dw	upgrade	26 yrs.	22	no	2	\$2,025	\$1,475	\$1,315	
#15	1M/2M/1M	5K	DW	DW	new	14 yrs	10	no	2	\$680	\$618	\$518	
#16	1M/2M/1M	10K	DW	SW	upgrade	26 yrs.	17	no	2	\$1,464	\$1,605	\$1,445	
#17	1M/2M/1M	5K	SW	SW	new	15 yrs	15	no	1	\$450	\$474	\$424	
#18	1M/2M/1M	10K	SW	SW	upgrade	25 yrs	13	no	4	\$2,840	\$3,110	\$2,790	
#19	1M/2M/1M	\$10K	SW	SW	upgrade	38 yrs	12	no	3	\$3,138	\$2,858	\$2,618	
#20	1M/1M/1M	\$10K	dw	dw	upgrade	23 yrs.	9	no	3	\$1,705	\$1,613	\$1,373	
#21	1M/2M/1M	5K	SW	SW	upgrade	30 yrs	14	no	3	\$2,342	\$2,595	\$2,355	
#22	1M/2M/1M	5K	SW	SW	new	14 yrs	13	no	1	\$522	\$474	\$424	
#23	1M/2M/1M	10K	SW	SW	upgrade	32 yrs	9	no	4	\$3,524	\$3,410	\$3,090	
#24	1M/2M/1M	10K	DW	DW	new	8 yrs	8	no	2	\$688	\$513	\$413	
#25	1M/1M/1M	\$5K	dw	dw	upgrade	19 yrs.	8	no	2	\$870	\$1,050	\$890	
#26	1M/2M/1M	\$10K	sw	dw	new	13 yrs.	13	no	2	\$1,009	\$813	\$713	
#27	1M/2M/1M	10K	SW	SW	upgrade	22 yrs	17	no	2	\$2,078	\$1,805	\$1,645	
#28	1M/1M/\$500K	\$5K	sw	sw	upgrade	23 yrs.	23	no	1	\$1,017	\$800	\$720	
#29	1M/2M/1M	\$25K	sw	sw	upgrade	16 yrs	4	no	10	\$5,542	\$6,650	\$5,850	
#30	1M/2M/1M	5K	DW	DW	new	4 yrs	4	no	2	\$536	\$468	\$368	
#31	1M/1M/1M	\$10K	dw	sw	new	7 yrs.	7	no	2	\$702	\$555	\$455	
#32	1M/2M/1M	5K	SW	SW	new	8 yrs	7	no	1	\$460	\$414	\$364	
#33	1M/2M/1M	5K	SW	SW	upgrade	28 yrs	3	yes	3	\$2,384	\$2,670	\$2,430	
#34	1M/1M/\$500K	\$5K	sw	dw	upgrade	21 yrs.	2	no	2	\$999	\$1,200	\$1,040	
#35	1M/2M/1M	10K	SW	SW	replacement	24 yrs	2	yes	5	\$3,403	\$3,210	\$2,910	
#36	1M/2M/1M	5K	DW	SW	new	12 yrs	8	no	1	\$457	\$354	\$350	
#37	1M/2M/1M	5K	SW	SW	upgrade	17 yrs	2	no	1	\$803	\$740	\$660	
#38	1M/2M/1M	10K	SW	dw	new	12 yrs	1	no	2	\$873	\$633	\$533	
#39	1M/2M/1M	10K	DW	DW	new	1 yrs	1	no	3	\$663	\$500	\$350	
										98	\$68,087	\$70,459	\$63,375
												3.5%	-6.9%

Consideration of Investment Income in Rates

Part 1: Effective Federal Tax on Investment Income

	2016 Investment Income <u>Earned</u>	Federal Income <u>Tax rate</u>
<u>Bonds</u>		
Taxable	40,866	0.3500
Non-Taxable, Affiliated	0	0.0000
Non-Taxable, Unaffiliated	293,846	0.0525
<u>Stocks</u>		
Taxable, Unaffiliated	116,293	0.1418
Non-taxable, Affiliated	0	0.0000
Mortgage Loans	0	0.3500
Real Estate	0	0.3500
Capital Gains and (Losses) - ten year average	358,510	0.2000
Cash, Short Term, and Other	<u>3,186</u>	0.3500
Total	812,701	
Investment Deductions	<u>26,799</u>	0.3500
Net Investment Gain	785,902	0.1395

Part 2: Effective Rate of Return on Investments

1.	Net Investment Income (Part 1)	785,902
2.	Assets Available for Investment (Annual Stmt., Page 2, Line 12)	
	2015	23,995,570
	2016	<u>24,800,269</u>
	Mean Assets	24,397,920
3.	Rate of Return (1)/(2)	0.032
4.	Effective Tax rate on Investment Income (Part 1)	0.1395
5.	Net effective after tax return on investments: {1.0 - (4)} x (3)	0.028

Consideration of Investment Income in Rates

Part 3: Investment Income From Unearned Premium Reserves

1.	Direct Earned Premium for 2016 (A)	3,231,221
2.	Unearned Premium Reserve 12/31/16 (A)	1,307,406
3.	Unearned Premium Reserve 12/31/15 (A)	1,310,658
4.	Mean Unearned Premium Reserve $1/2\{(2) + (3)\}$	1,309,032
5.	Deduction for Prepaid Expenses:	
	Commission & Brokerage	0.0%
	Taxes, Licenses, & Fees	1.6%
	50% of Other Acquisition	0.6%
	50% of General Expense	3.0%
	Total	5.2% x (4)
		67,415
6.	Deduction for Federal Taxes, $.35 \times .20 \times \{(3) - (2)\}$	228
7.	Deduction for Agents' Balances (B)	0.170 x (1)
		549,308
8.	Mean Amount Available for Investment, $(4) - (5) - (6) - (7)$	692,081
9.	Net effective after tax return on investments (Part 2)	0.028
10.	Investment Income as a Factor of Premium, $(8) \times (9) / (1)$	0.006

Part 4: Investment Income From Loss Reserves

1.	Incurred Loss & ALAE 2016 (A)	1,803,485
2.	Loss & ALAE Reserves 12/31/16 (A)	10,812,868
3.	Loss & ALAE Reserves 12/31/15 (A)	9,752,777
4.	Mean Loss & ALAE Reserves, $1/2\{(2) + (3)\}$	10,282,823
5.	Reserves to Incurred Ratio: $(4) / (1)$	5.702
6.	Estimated Reserve Discount for Tax Purposes	3.5%
7.	Federal Taxes Payable (% Of Reserves): $(6) \times .35$	1.0%
8.	Adjusted Reserves to Incurred Ratio: $(5) \times \{1.0 - (7)\}$	5.645
9.	Expected Loss and LAE Ratio	0.804
10.	Expected Loss and LAE Reserves Ratio: $(8) \times (9)$	4.539
11.	Net effective after tax return on investments (Part 2)	0.028
12.	Investment Income as a Factor to Premium: $(10) \times (11)$	0.127
(A)	Page 14, Grand Total	
(B)	Net Earned Premium for 2016	5,826,900
	Net Agents' Balances 12/31/15	1,024,868
	Net Agents' Balances 12/31/16	951,334
	Mean Agents' Balances	988,101
	Mean Ratio of Agents' Balances to Premium	0.170

Tank Owners Members Insurance Company

Consideration of Investment Income in Rates

Part 5: Expected Rate of Return on Equity

1. Selected, Based on the 2015 and 2016 Annual Statements:				
Premium =	\$50	; Statutory Surplus =	\$100	; GAAP Equity = \$103
2. Investment Income on Reserves: Premium x (Part 3, Line 10 + Part 4, Line 14)				
	\$50	x	0.133	= \$6.65
3. Investment Income on Surplus: Surplus x (Part 2, Line 5)				
	\$100	x	0.028	= \$2.80
4. Underwriting Income: Premium x (1 - tax) x Profit Provision in Rates				
	\$50	x	0.650 x 0.050	= <u>\$1.63</u>
5. Total Expected After Tax Income from all Sources				
		(2) + (3) + (4)	=	\$11.08
6. Total After Tax Return on Equity: { (2) + (3) + (4) } / Equity				
	\$11.08	/	\$103	= 10.8%



October 23, 2017

Texas Department of Insurance
Filings Intake Unit, Room 460A
P.O. Box 149104
Austin, TX 78714-9104

RE: Rate Filing~ New Rate Filing

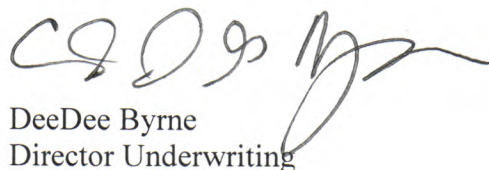
Dear Insurance Analyst;

Tank Owner Members Insurance Company hereby submits the enclosed filing.

Please find the complete filing. If this information shall need to be submitted to another analyst or department, please contact me and I shall forward per your directions.

It is proposed that the filing be applicable to all policies written or renewed on or after January 1, 2018. Thank you for your assistance with updating our file. You have been very helpful in the past and we appreciate your patience.

Sincerely,



DeeDee Byrne
Director Underwriting

Barbara Toyne

From: Ellen Rogers [REDACTED]
Sent: Thursday, October 12, 2017 10:48 AM
To: Sharalyn Taylor; David Boon
Cc: Pat Whatley; DeeDee Byrne
Subject: Tank Owner rate filing

Sharlyn and David:

It is the intention of Tank Owner Members Insurance Company to refile its Pollution Liability rate filing. The new filing will have an effective date of 1/1/2018.

Thanks for your help with this issue,

Ellen Rogers



Ellen H. Rogers, CPA
Director of Finance
1600 W. 7th Street
Fort Worth, TX 76102
www.tankowners.com
817-336-1336



Texas Department of Insurance

Filing & Operations Division – P&C Intake Unit, Mail Code 104-3B
333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104
512-322-3575 telephone • 512-490-1016 fax • www.tdi.texas.gov

Property and Casualty Filing Transmittal Form

TDI Use Only
TDI Link Number: _____

1. List all companies. ☐ Additional sheet attached (if necessary)

		TDI USE ONLY	
Company Name(s)	NAIC No(s).	EID No(s).	TDI File No(s).
Tank Owner Members Insurance Company	10085		

2. Company Group Name _____ Group NAIC No. _____

3. Company Filing Number TX-2018-1

4. Type of Filing: ☐ New Filing ☒ Revision/Replacement: TDI File No. or Link No. _____

[If revision/replacement, provide TDI File No. or Link No. that is being revised/replaced. If reference filing, refer to Item 8.]

5. Proposed Effective Date: New 1/1/2018 Renewal 1/1/2018

6. Line of Insurance (Refer to Instructions, Item 6) _____ Pollution Liability

6.a. ☐ Dual Filing. The filing will also be used as part of a multi-peril policy.

TDI File No(s). or Link No(s). of previously approved monoline and multi-peril policy: _____

6.b. ☐ Interline Filing. List applicable lines of insurance: _____

7. Contact Person DeeDee Byrne

Telephone No. 800-336-1338 Fax No. 817-336-8257

Mailing Address 1600 West 7th Street E-Mail Address _____

City Fort Worth State Texas Zip 76102

TDI may release my e-mail address in response to a public information request ☐ Agree ☒ Do not agree

8. Description of Filing

☒ Rate Filing (rates, rating manual, rating rule, supporting information, etc.)

☐ Initial/No Prior Experience

☒ Rate Change

☐ Rates Associated With Forms/Endorsements (endorsement filing # if filed separately _____)

☐ Credit Scoring Model (filing cannot be combined with any other filing type)

☐ Underwriting Guidelines (filing cannot be combined with any other filing type)

☐

Policy Form

☐

Endorsement

☐

Manual Rules (other than rating rules)

☐

Reference Filing

☐

Rates: Insurance Company/Advisory Organization Name: _____

TDI File Number or Link Number/Reference Number: _____

Prospective Loss Costs: _____

☐

Policy Forms/Endorsements: Insurance Company/Advisory Organization Name: _____

TDI File Number or Link Number/Reference Number: _____

☐

Manual Rules: Insurance Company/Advisory Organization Name: _____

TDI File Number or Link Number/Reference Number: _____

9. If a similar filing has been made with TDI in the past by your company/group provide company name and TDI File No.(s) or TDI Link No.: _____

10. If a deemer provision applies to the filing, do you waive the deemer application? ☐ Yes ☐ No



Texas Department of Insurance

Property and Casualty Section – Personal and Commercial Lines Office – P&C Filings Intake

Mail Code 104-3B, 333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104
512.322.3575 telephone • 512.490.1016 fax • www.tdi.texas.gov

October 25, 2017

DeeDee Byrne
Tank Owners Members Insurance Company
1600 West 7th Street
Fort Worth, Texas 76102

RE: State Tracking Number: S647366
SERFF Tracking Number: TEXS-131241913
Company Filing/Tracking Number: TX-2018-1
Tank Owners Members Insurance Company
Pollution Liability Rate Filing

Dear Ms. Byrne::

The Texas Department of Insurance acknowledges receipt of your filing submitted on behalf of the referenced company. The rating rules/rating plans/rates are file and use and no further action is required at this time. This Department reserves the right to request additional information regarding this filing before or after the effective date of the filings. It is requested that any correspondence reference the assigned TDI State Tracking number indicated above.

Questions concerning the development of a rate filing should be directed to the Property and Casualty Actuarial Office at (512) 676-6680 or by email at PCActuarial@tdi.texas.gov.